密勒氏評論報

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Formerly Millard's Review

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RADIO COMMUNICATION BETWEEN CHINA AND AMERICA

THE arrangement made recently for permanent office space and the completion of land surveys for the location near Shanghai of the first station of the China-Federal Radio Administration marks the beginning of the final step in one of the most interesting and significant diplomatic battles which has been waged in the Far East for many years. The fight began in 1921 just preceding the calling of the Washington Conference when it was announced that an American company, the Federal Telegraph Company of California had made contract with the Chinese government whereby the American company was to erect on behalf of the Chinese government a number of high-power radio stations in China, the principal one to be located at Shanghai. Immediately after the terms of the contract were published the Japanese government protested on the grounds that the Federal contract amounted to an infringement of a concession which had been granted in 1918 by the Chinese Navy Department to the firm of Mitsui and Company for the erection of a wireless station at Peking. There were also protests on the part of other nationals interested in wireless and telegraphic communication within China and between China and other lands, but the Japanese protest was most significant because it developed that the Japanese concession which had been signed by Admiral Lu of the Chinese Navy when the Anfu Party was in control of Peking gave the Japanese a secret 30 year monopoly of radio communication both within China and between China and other countries. The Japanese contract with Admiral Lu when made public originally at the Paris Conference 1919 was perfectly inocuous, but when Secretary Hughes in 1921 asked the Japanese for an explanation of their protest it developed that there was a secret letter attached which gave the Japanese a complete monopoly for a period of thirty years. The Japanese delegates to the Paris Conference had failed to make the all-important secret clause public for obvious reasons.

THE Chinese Minister in Washington, Dr. Sao Ke Alfred Sze on June 9, 1921 wrote an official letter to Secretary Hughes making inquiry as to the intentions of the United States in view of the protests which had been received by the Chinese government "from certain governments claiming that by granting to the American company the right of participation with the Chinese government in wireless communications the rights of their nationals secured under prior contracts were violated." Secretary of State Hughes on July 1, 1921 replied to this inquiry stating that he had made inquiry of the various

governments which had protested against the Federal contract and that the replies received "tend only to confirm this government (the United States) in its belief that the adverse claims which have been urged as excluding the Federal Telegraph Company from participating with the Chinese government in establishing wireless communications are founded upon assertions of monopolistic rights, in the field of Chinese governmental enterprise, which cannot be reconciled either with the treaty rights of American citizens in China, or with the principle of the open door." And then followed the significant statement on the Open Door by Secretary Hughes which a few months later became the real foundation for the work of the Washington Conference in respect to the Nine Power Treaty dealing with the territorial and administrative integrity of the Chinese Republic. This statement follows:

> "Your reference to the principle of the open door affords me the opportunity to assure you of this government's continuance in its whole-hearted support of that principle, which it has traditionally regarded as fundamental both to the interests of China itself and to the common interests of all powers in China, and indispensable to the free and peaceful development of their commerce on the Pacific Ocean. The government of the United States has never associated itself with any arrangement which sought to establish any special rights or privileges in China which would abridge the rights of the subjects or citizens of other friendly states: and I am happy to assure you that it is the purpose of this government neither to participate nor to acquiesce in any arrangement which might purport to establish in favor of foreign interests any superiority of rights with respect to commercial or economic development in designated regions of the territories of China, or which might seek to create any such monopoly or preference as would exclude other nationals from undertaking any legitimate trade or industry or from participating with the Chinese government in any catagory of public enterprise."

MOST persons would assume that this very definite statement by Secretary Hughes would have ended the matter and that the Federal Telegraph Company might have been permitted to proceed with its work, but not so! On March 14, 1923 the Japanese *Asiatic News Agency* circulated a statement to the press in China that the Japanese government had again lodged a protest with the Chinese government against the construction of wireless stations in China by American interests. This caused a considerable flurry in Peking and in connection with the publicity which resulted it developed that the Japanese wireless station near Peking which had been under construction for some time was practically completed and it was alleged that several unofficial tests had demonstrated that the station was practically unworkable or at least unworkable to the extent specified in the secret treaty which the Japanese firm of Mitsui and Company had negotiated (with the backing of the Japanese government) in 1918 with Admiral Lu on behalf of the Chinese Navy Department. Although it is difficult to get at the truth of the situation even today owing to the secrecy maintained, it seems that certain alleged mistakes had been made by the Japanese engineers and as a result the plant was stated to be largely a loss except from the standpoint of materials which might be salvaged. So in view of the above the conclusion was reached that the reason for the renewed Japanese protest was for the purpose of either forcing the Chinese government to assume the burden of the cost of the station (some £537, 267) or the protest was being made on behalf of other interests which had sought unsuccessfully at the Washington Conference to internationalize all radio communications in China. Strength to the latter contention was given through the circulation to the press by *Reuters* Service (British) of a communication backing up the Japanese contention which had been issued by Mr. Obata, the Japanese Minister in Peking. This communication appeared in full in the *Review* for April 7, 1923, as well as the answer to it by the American Legation which was issued immediately afterwards, These communications are too long for reproduction here but the Japanese contention was to the effect that the Four-Power Treaty adopted at Washington did not apply to the 30 year monopoly clause in the Mitsui contract and even though it did apply the Peking station erected by Mitsui was a natural monopoly and as such was exempted by the treaty.

THE reply of the American Minister to this contention was to the effect that Mitsui and Company and the Japanese government in the background, were chiefly interested in enforcing the 30 year monopoly clause in the contract with the Chinese government and that "while the company's object can only be surmised, the result would be that the people of China and the commerce of the entire country would be restricted, so far as overseas radio communication is concerned to the use of one station situated, where it will be of the least possible utility to any one but the government. The bulk of such revenue for the repayment of the loan must be derived from commercial and general messages and a more unsuitable place than Peking, as the site for the station, from the standpoint of accessibility, cannot be imagined Yet Mitsui and Company would restrict to Peking the advantages of overseas wireless communication for 30 years. Shanghai, Harbin, Canton, Hankow and all the great centers of trade, are to be deprived of such facilities for thirty years solely to protect the revenues of a station whose success as a commercial undertaking was from the start a patent impossibility.

> "..... the American government has maintained and does today maintain that under this treaty (Article XXX of the Treaty of 1858) provision both parties (The American company and the Chinese government) were free to enter into this contract and could not be precluded therefrom by any previous commitment held to confer exclusive or preferential privileges on the subjects of a third power. It is this spirit that has consistently guided the American government in relation to the activities of its own citizens in China and in its relations with China and with other powers, the policy of equal opportunity for the citizens of all nations in China.
>
> "In conclusion it is not too much to say that the American government has given evidence of regarding the execution of the Federal contract by the Chinese government as an almost crucial test of the efficacy of the policy of equal opportunity in China. If the whole area of China may be barricaded against all over-seas radio development for thirty years for the benefit of one station equal opportunity, whether for China among the nations, or for other nations in China, cannot be said to exist."

THERE have of course been other complications, but the above brief summary will give the reader some idea of the difficulties which this American company has encountered in contending for its right to carry out a thoroughly legitimate and above-board enterprise in China. That the company has persisted and has received the active and continuous support of the American government is a source of gratification and an indication of what might be accomplished in China if similar effort could be applied in a much broader way to the whole problem of China. There isn't much more to the story except an interview with Dr. V. K. Wellington Koo, Minister of Foreign Affairs published in the *China Press* on January 30 stating the intention of the Chinese Ministry of Foreign Affairs to stand by the decision of the Cabinet to the effect that the

Federal Wireless contract should stand and the Japanese contract enforcing a thirty year monopoly should be cancelled. In the interview Dr. Koo was credited with advancing the three arguments that the Japanese contract is in contravention of the Open Door treaties signed between China and other powers; that the original contract providing for a thirty year monopoly running only upon completion of the Mitsui plant, whereas the Japanese are endeavoring to have it run from the signing of the contract, which in itself tends to prevent China from making contracts for wireless plants while the Japanese fail to put theirs in working order. Lastly, if the Japanese are to insist upon the monopoly, China is ready to take the plant and run it herself, to which the Japanese reply that it would jeopardize their own position in the matter.

THE importance of a modern high-power radio station in Shanghai, China's chief commercial center, capable of communicating instantly with America and all parts of the world need not be dwelt upon. In spite of the fact that outside of China's commerce with Japan, her next best customer in the years to come is bound to be the United States, there is only one direct cable line which is often out of order and is already greatly overloaded. This refers to commercial communication solely, but outside of this important field there is the vital matter of news communication. Mr. Karl A. Bickel, president of the American *United Press* Association who was recently in China and whose company is now engaged in developing a direct American news service in China, in an interview published in the *Editor and Publisher* of New York on December 22, stressed the importance of radio communication on the Pacific from the standpoint of news.

> "A Washington dispatch on any item of international interest will secure Page One position in the press of the world as against a similar item from London, Paris, Berlin or Tokyo. America is the news center of the world, because it is the creditor nation of the world. The world's news interests run where the money rests. ——It is imperative if we are to maintain this position of news supremacy that immediate steps be taken, both privately and through the government to see that the disgraceful news communication situation in the Pacific be remedied. Except for the Naval Radio (press) rate between San Francisco and Manila, including Honolulu, the Pacific press rates (by cable) are prohibitive. If it were not for the Naval Radio service, American press communication with its own territory in Hawaii and the Philippines would be virtually strangled. Every effort must be made to see that the hands of the Naval Radio officials are strengthened; that its personnel is kept up to the highest standard and that our people are made to understand that the most effective work which the American Navy is doing today in the Pacific in preserving the peace and establishing American national prestige is being done by the Naval Radio service.——the entire press in China, as far as I was able to learn, is a unit in supporting in every way the fast and solid establishment of the Federal wireless. Tremendous efforts have been made to delay or prevent this American company from gaining the foothold it is entitled to in China, without success. No single factor is more important to American trade in the Far East than the successful establishment of this service and the guarantee of the permanence of the Naval Radio."

THAT the importance of this matter is also realized by the American commercial interests in China is shown in the following resolution adopted at the annual conference on October 16 and 17 of last year by the Associated American Chambers of Commerce of China:

> "Among the resolutions adopted by this body at its last annual meeting was one urging the importance of a fuller exchange and distribution of American news in this part of the world. Since the passage of this resolution the Federal Telegraph Corporation of San Francisco in association with the Radio Corporation of America has made a contract with the Chinese government whereby a number of high powered American radio stations are to be constructed in China, the chief one being at Shanghai with feeder stations in the interior.
>
> "Owing to protests by other foreign interests the work of the American companies in the construction of these radio stations has been seriously retarded. The Chamber heartily approves of the policy of Secretary of State Hughes in upholding American rights in connection with the Federal Telegraph Company's contract and hopes that his vigorous policy in this connection will be continued.
>
> "It is the belief of the Associated American Chambers of Commerce of China that the erection here of a high powered radio station will be of tremendous service in placing China in direct communication with the United States for the exchange not only of news but of commercial messages as well, at reasonable rates.

APPOINTMENT OF JUDGE PURDY TO THE U. S. COURT

WHILE there will be almost universal regret among both foreigners and Chinese throughout China and the Far East at the failure of President Coolidge to reappoint Judge Lobingier for another term to the United States Court for China, there is general satisfaction that the President has appointed a man with such an excellent record of experience and attainment as is represented by Judge Milton D. Purdy of Minneapolis. Judge Purdy whose nomination was sent to the Senate for confirmation on February 8 is a native of Ohio and a graduate of the University of Minnesota of the class of 1891 with the A. B. degree. A year later he received the degree of Bachelor of Laws from the same institution. His first official position was that of city attorney of Minneapolis from 1893 to 1897 after which he served as assistant county attorney of Hennepin County, Minnesota. From this position he resigned in 1898 to become assistant United States attorney at Minneapolis and a year later was appointed assistant attorney-general of the United States by President Roosevelt. Later he served as assistant to the Attorney General for a period of three years. In 1908 he was given a recess appointment as judge of the U. S. District Court of Minneapolis but retired a year later when the Senate failed to ratify the nomination. Since that time he has been engaged in the practice of law in Minneapolis. He is a progressive Republican in politics and served as a member of the progressive national committee in the Roosevelt Third Party campaign. He is fifty-eight years of age and recently visited in China in company with his wife and daughter.

IT is interesting to note in passing that Judge Purdy received his first federal appointment through the agency of President Roosevelt who also appointed Judge Lobingier to the federal bench in the Philippines twenty years ago. While political considerations are not ordinarily supposed to have weight in the appointment of men to the federal judgeships, the present appointment of Judge Purdy is an indication

of the strength of the progressive or radical wing of the Republican party in the northwest as represented by such men as the new Senator, Magnus Johnson of Minnesota. While Judge Purdy's appointment has not yet been ratified by the Senate it doubtless will be done soon, otherwise there will be an unfortunate delay in the business of the U. S. Court detrimental to American business and prestige in China as occurred two years ago when Judge Lobingier was forced to return to Washington to attend hearings incident to certain unfortunate charges which had been made against the administration of the Court. While there will be general regret at the President's failure to reappoint Judge Lobingier, the retiring Judge has the satisfaction of knowing that the high standard which he has set in the administration of this important branch of the American government in China, will always stand as a monument not only to his achievements but to the achievements of the long list of illustrious Americans who have held official positions of responsibility in this part of the world. Judge Lobingier has spent twenty years as a federal judge of the United States in the Far East, the first ten in the Philippines and the last ten in China. Judge Lobingier, it is interesting to note, is the only judge who has been appointed to the U. S. Court here who has served out the full term of ten years. Judge Wilfley the first appointee served only two years and Judge Thayer his successor served four years. Among Judge Lobingier's accomplishments in connection with the development of the U. S. Court here may be mentioned the building up of the Court library from almost nothing to an almost complete repository of American case law, the organization of the Far Eastern American Bar Association and its affiliation with the American Bar Association, obtainment of permission to use the modern penal institution in the Philippines for long term prisoners, settling and defining the jurisprudence which the court applies, publication of the court's decisions in permanent form, and the beginnings of a modern, scientific code of procedure in this jurisdiction. During his term of ten years here Judge Lobingier has had the remarkable record of not having had a single decision reversed by a higher court.

BANDIT RECORD SINCE THE LINCHENG OUTRAGE

THREE more outrages by Chinese bandits and soldiers have been added to China's "Dishonor List" since the last publication of the compilation in these columns on January 26. The complete list which includes most of the outrages against foreigners since the Lincheng affair on May 5 of last year in which one foreigner was killed and some thirty kidnapped, follows. Readers of the *Review* will confer a favor by reporting inaccuracies or omissions from the list as it is our intention to continue the publication until the Chinese government takes some definite action calculated to stop the business effectively.

Killings

June 15—Father P. A. Melotto, Italian, Inchen, Hupeh. Released, shot, dying, Tungpeh, September 3.

Aug. 14—Rev. R. R. Whiteside and F. J. Watt, Church Missionary Society, Mienchow, Szechuen.

Sept. 7—*Iyang Maru*. Two Japanese officers killed, two captured. Fowchow, Szechuen.

Dec. 27—Bernard A. Hoff, American Lutheran Brethren Mission, Tsaoyang. Died Jan. 12, 1924, after release.

Dec. 31—Father Achille Roenen, Belgian Mission des Ortos, Hokiao, Mongolia.

Jan. 4—Capt. F. J. Brandt, British, aboard his ship *Tzesui*. Kaochiachen, Szechwan.

January 28—S. S. Keh, Chinese returned student from America employed as engineer on Shantung Railway.

Kidnappings and Outrages

May 15—H. C. Rowson, British-American Tobacco company, released. Captured in April, Pakhoi, Kwangtung.

May—A. Lowe, Canadian, beaten and imprisoned by soldiers, Tsinan, Shantung.

June 15—Father P. A. Melotto, Inchen, Hupeh.

June—Japanese, number unstated. Changli, Chihli.

July—W. d'Arcy Weatherbe, British. Yunnan. Escaped August.

July 30—American cargo and passenger ship on Upper Yangtsze, the *Alice Dollar*, boarded by general and armed guards. Captain Tornoth, Mrs. Tornoth, Mr and Mrs. Wyndham and daughter, all wounded by bullets.

Aug. 23—French priest Talifu, Yunnan.

Sept. 7—*Iyang Maru*. Fowchow, Szechuen. Two Japanese officers. Still captives.

8. Sept. 20—J. Stamm, German employe of Standard Oil Company, released on September 25 on payment ransom of Tls. 2,000. Capture took place at Luchow, Sze.

Sept. 23—Misses M. Darroch and M. R. Sharp, China Inland Mission, Sihwa-hsien, Honan. Released by Wu Pei-fu's troops, Oct. 30.

Oct. 3—Father Timothy McDermott, American Passionists. Tungwan, Hunan. Escaped later.

Oct. 3—C. Howard Bird and wife, China Inland Mission, Fukow, Honan. Released later.

Oct. 17—F. Strauss, China Inland Mission, Hungkiang Hunan. Released in November.

Oct. 23—Steamer *Sanning* pirated. Three officers wounded and held. Hongkong to Kongmoon.

Nov. 13—Bishop Adeogat Wittner, Apostolic Vicar of East Shantung, French priest and a nun. Changling Shantung. Released.

Nov. 13—Rev. E. W. Schmalzried, Reformed Church of Christ in the United States. Changteh, Hunan. Ransomed December 24.

Dec. 27—Bernard A. Hoff and wife, both wounded and released, Mr. Hoff dying later.

Dec. 27—Mrs. Juline R. Kilen, American Missionary taken and released Jan 15, 1924, American Lutheran Brethren Mission. Tsaoyang, Hupeh.

January 3—Supu, Hunan. Fathers Flavian Mullins and Arthur Bernard shot at, bullets piercing their clothing and American flag which they carried. American Passionist Mission looted.

Jan. 23—Zi-le-Sou near Kwaihwating, Shansi Province Father Frederick Van Praet, Belgian priest captured, still held for ransom.

Jan. 24—Dr. H. Gordon Thompson, British, captured at Paotowchen west of terminus of Peking-Suiyan Railway. Escaped February 1, 1924.

Jan. 28—S. S. Keh, Chinese engineer graduate of Massachusetts Institute of Technology and employed on Shantung Railway. Captured about November 1 and ransom of $80,000 demanded by bandits. Family paid over $15,000 all able to raise but Keh was finally murdered and body secretly left in street of Tsinanfu, capital of Shantung Province.

Feb. 1—K. E. Bessell, British Traffic Inspector employed by Peking-Mukden Railway, knocked down and severely beaten by Chinese soldiers because of his refusal to disobey railroad regulations by attaching special car demanded by soldiers for private use.

RELEASING THE POLITICAL PRISONERS

THE release of some thirty-one political prisoners in the United States by President Coolidge on December 15 and the release of Mahatama Gandhi the Indian leader by the Indian Government last week indicate a return to political sanity in two widely separated parts of the globe. There are said to be still some hundred and fourteen men in jail in the United States for violating laws by holding beliefs and expressing opinions contrary to the established order. Foreigners residing in the treaty ports of China recently were circularized by the Industrial Workers of the World in California demanding a

boycott of California products until certain political prisoners held in California were released. Gandhi the Indian was a peculiar case. He is a brilliant man; educated as a barrister-at-law he served the British Empire both in India and in South Africa and at the same time helped his fellow men. As an advocate of Swaraj or home rule for India he preached non-cooperation as a peaceful means of obtaining the object and was the leader in the patriotic movement which has swept all India. Following the massacre at Amritsar and approval of the actions of General Dyer by the Indian Government he launched the non-violent non-cooperation drive which got him into trouble with the government and imprisonment. This had the effect of making him an international figure and probably helped his movement through advertising it. In times of war or political stress there may be some excuse for putting men in jail who do not agree with you, but continuing these practices into peace times amounts to an admission of weakness on the part of a state. As an illustration of this latter point there is the current report regarding one of the influential military governors in China who has asked the Diplomatic Body in Peking for permission to arrest all Chinese in the treaty ports who are opposing the Peking Government.

A CORRECTION

To the Editor, *China Weekly Review*.

Sir: My thanks are due to Mr. Leslie Stedman in the February 8 issue of the Peking and Tientsin *Times*, for calling attention to the Mr. Chuang referred to in my article in the *China Weekly Review* of February 2 on the Tientsin Concessions. I regret very much that I was misled in this instance by my informant. It would appear that he confused Mr. Chuang, the former garage coolie, with Mr. J. S. Chwang of the Chung Hsing Coal Company and the Taotai of Taiyuanfu in the late Manchu days. Necessarily most of the data contained in my article was obtained, not from the occupants of the houses, who for obvious reasons would not relish the publicity, but from old time residents in Tientsin. In justice to Mr. Chwang, I am sending this letter with the request that it be published. (Signed) Charles Dailey.

To the foregoing, we wish to add expression of our regret if the Chuang referred to in Mr. Dailey's article should have been mistaken by any of our readers for Mr. J. S. Chwang, who is one of the most highly respected Chinese residents of Tientsin and has a most enviable reputation for strict integrity.

Silk Testing Report Shows Progress

At the annual shareholders' meeting of the International Testing House on Hongkong Road, Shanghai, held on January 25, announcement was made that from February 10 to December 31, 1922, and January 1 to December, 1923, tests to the following number were made:

TESTS	1922	1923
American Sizing (60 skeins, 225 meters)	12	58
Regular Sizing (30 skeins, 450 meters)	341	1,109
Conditioned Sizing		5
American winding (breaking per pound)		4
European winding (breaks per hour)	316	1,051
Boil off	33	22
Tenacity and Elongation (by serimeter, 100 breaks)	12	19
Cleanness (Gage test)	42	142
Gross weight	126	421
Net weight	85	302
Conditioned weight	71	130
Cohesion (By seem method)	35	36
Miscellaneous	6	2
Tests made by foreign firms	534	1,470
Tests made by Chinese filature and manufacturers	584	1,904
Number of foreign firms testing	14	16
Number of Chinese firms testing	9	16

Mr. D. E. Douty, who recently sailed for America, is vice-president and general manager of the International Testing House, while C. J. Haber is eastern manager (China and Japan) and B. S. de Barnes is manager in Shanghai.

Nationalization of China's Armies

BY CHARLES DAILEY

ONE hears a lot in Peking these days of the disbandment of surplus troops, of the creation of a National army, of the establishment of workshops for the soldiers, of the building of railways and roads, of forestation, of gigantic immigration schemes for Kansu and for Mongolia. A lot of folk take it seriously—even the missionary folk until one of their number is carried off captive by bandits whose chief demand is restoration to the army. Some of these rescued or ransomed captives even have become propagandists in this respect, quite innocently of course, since they are opposed to arms and wars and all that. A few other folk take the talk less seriously and see in it all but a thinly-disguised preparation for the biennial Spring war which so many Chinese are convinced will occur. Drawing the line between these two extremes, one may class it all as a lot of buncombe, or simple bunk, and perhaps both.

China is not ready to disband her troops for two reasons, and either one is good enough without mentioning the other. One can accept whichever reason he fancies and let it go at that. One reason is that China has not the money for disbandment; the other is that China has not the disposition to do so. Just as the deacon who prays the loudest is often caught bootlegging back home in these Fall days of a Tempest over a Teapot-dome, just so does the oily Tuchun seek to cover his own tracks and his secret ambitions, which are to knock out the other fellow and get all the rich pickings for himself.

According to published announcement there is to be a gathering at the War Office towards the end of February of all the leading military commanders for the discussion of the suppression of banditry and the disbandment of surplus troops. Strangely enough there are invited to this conference not all the generals of China but only those of the provinces within the substantial grip of the Chihli party and whose armies will require strengthening should that party be attacked from the Yangtze or the Great Wall or from both sections at the same time, as some think likely in view of the preparations and the secret communications between the common enemies of the Chihli clique, which enemies have nothing else in common.

Please note that the provinces that are to participate are Chihli, Shantung, Honan, Hupeh, Anhwei, Kiangsu and Shensi, and also the special areas to the north of Peking. Note the omission of Chekiang, where Tuchun Lu writes peace notes to Marshal Chi with one hand while he keeps the thumb of his other hand upon his nose and the fingers extended in the general direction of Nanking. Note also the omission of Shansi, where Tuchun Yen sits tight and tends to his own business, keeps down disorder with a reasonably-sized army and still remits to Peking what is Peking's due, which most of the provinces even in the grip of the Chihli party do not. Note also the indifference of Chang Tso-lin, who is not the least affronted by the failure to receive an invitation. Note too the monkey-business now going on in Szechwan, the sidling over of Tuchun Chao Heng-ti of Hunan in the direction of Kweichow, the uncertainty in Kiangsi, the splendid isolation of Yunnan and the bolshevik outburst from the nerve centre of the two Kwangs in the South. It is going to be a private party after all and with so many on the outside not even caring to look in it is hardly fair to ask a man of average intelligence to believe that disbandment will be discussed, except it be disbandment of the other fellow's troops, which is a shoe off the other fellow's foot.

One hears that the Christian Marshal Feng Yu-Hsiang has been made Director-General of the new National Army that is to be formed. One does not hear, however, that he will not take it, not only because he is so much the junior of so many others, but one can read plainly the signs of the times in the failure of the Christian soldier to go to his post as Defense Commissioner of Mongolia, and his stopping on in Peking with an ever-increasing army while the commander of the Peking garrison, Wang Hwei-Ching, has seen his force reduced bit by bit until it is reduced to something a little more than a battalion, loafing about the Summer Palace. Feng Yu-Hsiang, either by will or wish, is the defender of Peking and it looks as if his task was to keep Chang Tso-Lin ever from having a look-in, even if Chang cherishes such a desire. The pickings are pretty good in Manchuria and he does not have to "divvy" with anybody else. The only thing that worries the Manchurian Tiger is the persistence of a certain General Sun in hanging on at Kirin. Sun is the superior in rank of Chang Tso-Lin, although Chang has been made a Marshal.

According to the published reports, President Tsao Kun is to preside over this council in Peking. After the question of disbandment has been settled by the customary method of disbanding the 91st brigade and organizing from it the 91st division there will come the more serious question of the creation of military areas and a provision for conscription. Mark that word conscription. Recruiting is not so easy as formerly, save in the provinces south of the Yangtze, where the opium traffic makes the payment of bonuses possible. Conscription in order to bring about disbandment.

Then we come to the third item on the agenda. Banditry must be extirpated—not my word but that of the agenda—and provincial troops organized. More about this provincial troops business a little later on. We learn also that under the scheme Marshal Wu Pei-Fu, now the Inspector General of Chihli, Shantung and Honan, is to become Director-General of Highways in these three provinces. He is to beat his Nine-Lions sword into a ploughshare and turn his disbanded troops into laborers, building up motor roads and what not in the furroughs he will make.

Read on a little further in this agenda. Marshal Feng Yu-Hsiang is to be the Director-General of Immigration and Cultivation on the Mongolian Frontier, turning his men into farmers just at the spots where Chang Tso-Lin does not want to see any person who ever wore the uniform of the Chihli armies. Wang Hwei-Ching, we are told, is to become Director-General of Forestry at Jehol, having his valiant foresters who were formerly soldiers plant trees so that it will be the more difficult for Chang Tso-Lin with his wicked armies to enter the pass and make his descent upon Peking, or at least to restrain him until copper notes are again at par.

Marshal Hsiao Yao-Nan, now Inspector-General of the provinces of Hupeh and Hunan, is to take off his uniform and become the Director-General of the military factories that are to be established in Hupeh and Szechwan, in each province there being arsenals that could be converted into button factories, cartwheel factories and other peaceful institutions instead of making implements of war. The soldiers thus disbanded to form this labor would at least be familiar with the surroundings. Then Marshal Chi Hsieh-Yuan, Inspector-General of Kiangsu, Kiangsi and Anhwei would as Director-General of the Lao-Huai Military Labor Bureau employ his disbanded troops in peaceful undertakings like the building of canals, dykes and roads, while the cripples of past wars would be set to work making Mah-Jongg sets for the American trade, since the tiles are forbidden entrance into Peking as wicked gambling devices.

Surely it does sound good. Perhaps the winner of Edward W. Bok's prize for a world peace plan will come out to China later on and become a sort of an advisor-general to these Field Marshals and Generals in their laudable undertakings.

It has been said that there are more than a million and a half men under arms in China to-day. There are probably even more, if one reckons with the *tu-fei, hunghutzes* or by whatever name the brigands may be called, for they are either groups of former soldiers or would-be soldiers and are under some form of leadership and discipline, in many cases superior to those of the so-called regular troops.

The Chinese are not by nature militaristic. They have been compelled to fight throughout their long history, but they are of themselves a quiet and inoffensive people. In a country so large as China and with such diversified views and requirements as so wide an expanse of latitude and greatly varying physical features naturally involve, the need of an army is unquestioned, and it has a duty to perform as in every other country, even in peace-loving America, where the Army permitted by Congress is too small even for the functions required of it.

But in China there has grown up, largely since the days of Yuan Shih-Kai and chiefly as the result of his ambition to be Emperor, a series of personal armies. Sometimes they are large enough to be under a super-tuchun, or at least a tuchun; often it is only a general and sometimes a colonel has his personal following. Most of these commanders are public prostitutes and sell themselves and their armies to whatever ambitious political venturer offers their price. And should they be defeated in battle they usually carry their followers with them into the lower dregs of militarism, and that is banditry. Two such were Lao Yang-Jen and Sun Mei-Yao, both of whom won brigadierships through brigandage.

China has pledged herself to disband her surplus troops, and until that has been accomplished cannot hope to be received into the family of nations or to receive the benefits promised by the participants in the Washington Conference for the Limitation of Armaments. Instead of disbanding her troops she is steadily increasing the number, and at the moment of writing recruiting is being carried on at a frantic rate, even to the point of impressing men for service. More than that, a gigantic increase is in prospect under the plan for the creation of a national army of 435,000 troops. Unless the militarists are pulled up short in their mad career these 435,000 will be in addition to the million and a half now draining the people of China either as provincial troops, the personal following of some commander or as bandits, and there is very little difference in the three classifications except in a few isolated cases, which are so unusual as not to be worth specific mention.

Militaristic China is changing so rapidly that it is quite difficult—one might say impossible—to describe accurately the situation, for it changes before a written article can get into print. Every now and then one reads of the disbandment of surplus troops in this or that province, but one never reads of the units formed in their place, often in greater number. At the moment, and as a cloak, no doubt, for further increases, one reads an announcement from Peking that with the formation of the new national army of 435,000 the office of provincial military governor will be abolished and the territory covered by the map of China divided into thirteen areas, to which the new armies are to be assigned. These have been created as follows, and to give a hint as to the militaristic purpose I have indicated in parentheses in most cases the man who seems destined, by right, might or political foresight, to command these armies:

First District—Chihli, Honan, Shantung and Shensi. (Wu Pei-Fu). Thirty-one brigades, and in addition four brigades of the former Imperial Bodyguards. Total, 135,000 men.

Second District—Fengtien, Kirin and Heilungkiang (Chang Tso-Lin.) Twelve brigades, totalling 80,000 men.

Third District—Kiangsu, Anhwei and Kiangsi. (Chi Hsieh-Yuan). Nine brigades, totalling 36,000 men.

Fourth District—Kwantung and Kwangsi. (Lu Yung-Ting.) Six brigades totalling 24,000 men.

Fifth District—Hunan and Hupeh. (Hsiao Yao-Nan) Nine brigades totalling 36,000 men.

Sixth District—Chekiang and Fukien. (Sun Chuang-Fang) Six brigades totalling 24,000 men.

Seventh District—Yunnan and Kweichow. Six brigades totalling 24,000 men.

Eighth District—Shensi and Kansu. Six brigades totalling 24,000 men.

Ninth District—Szechwan. (Yang Sen.) Six brigades totalling 24,000 men.

Tenth District—Jehol, Chahar and Suiyuan. (Wang Hwei-Ching, but with Tsao Ying, a brother of the President, an ambitious candidate.) Six brigades totalling 24,000 men.

First Special Area—Inner and Outer Mongolia. (Feng Yu-Hsiang.) Four brigades totalling 16,000 men.

Second Special Area—Sinkiang Ili. (Feng Yu-Hsiang.) Four brigades totalling 16,000 men.

Third Special Area—Tibet. One brigade of 4,000 men.

Here you have militarism stripped and marched naked right out into the winter atmosphere. Wu Pei-Fu, with 135.000, Feng Yu-Hsiang with 32,000 and Wang Hwei-Ching or the President's brother with 24,000 men, a total of 191,000 men surrounding Peking, and with Chang Tso-Lin's army reduced from 150,000 to 80,000 men. Here also you have Chi Hsieh-Yuan with 36.000 men confronting Chekiang with the possible addition of Fukien with 24.000 men. Yet the plan is to isolate Lu Yung-Hsiang in Chekiang and have this body of troops commanded from Fukien. The Kwantung situation is less obscure. Sun Yat-Sen is as good as out of it, especially since his antagonism of the foreign powers, and Chen Chiung-Ming's provincial autonomy scheme does not sit well in Peking. The present infiltration through Hunan soon may clear this up. In the other cases the selection is a matter of expediency.

The evident intention is that President Tsao Kun shall be *exofficio* commander-in-chief, with three Marshals in the Peking district, one on the Lower Yangtze and one in the Hankow region. It is militarism expanded to the *Nth* degree. It is designed to make Peking safe for Tsao Kun and his hungry henchmen. It is impossible to conceive of Chang Tso-Lin voluntarily cutting his army in half, and he cannot be forced to do so until the situation South of the Yangtze has been cleared up. Tsao Kun's commanders along that river will be "contained," to use a military expression. At least one of them, probably Yang Sen, is destined to defeat. As for the two Kwangs and Kweichow and Yunnan, those areas are many months off from being brought under the dictation of the present group in Peking.

The whole plan announced in the formation of a National Army of 435,000 men is merely an incident in the growth of militarism and to keep the Chihli clique, which is militaristic, in power.

And what about the provincial military governors, one may ask. The answer is ready. They will form, and are forming, their own provincial armies. China is about to be burdened with more troops than it ever had before. Wang Cheng-Ping, for example, is the Tuchun of Chihli, and the deputy Super-tuchun of Chihli, Shantung and Honan. Can

one conceive of his tuchuning without troops? And Chang Fu-Lai, who has depleted Honan probably as much as the bandits themselves, will gracefully submit to being without troops? One does not require to go beyond these two men to get the answer to it all. They are both loyal henchmen of Tsao Kun and are the subordinates of Wu Pei-Fu. It is inconceivable that they are to be as ornamental as a Presidential adviser. They and the other military governors doubtless have their orders to raise their own provincial armies and to look to the provinces for their upkeep.

And what is the outcome of it all? There will be further drains upon the taxpayers not only to pay the upkeep of the National armies, but also of the provincial armies. It means, if it means anything, an increase of banditry, and the closing of more mission stations. Militarism and banditry thrive together. The growth of militarism means more unpaid troops and unpaid troops mean more banditry. Down at Wuchang the military grafters are pulling down the city wall to get $3,000,000 for their purses through the sale of the material used in its construction. Soon the people will be taxed to buy bricks and stone to keep out those of the patient and all-too-suffering villagers who will be forced to organize against that form of banditry that puts on a uniform and calls itself militarism.

When Feng Yu-Hsiang took hold as Military Governor of Honan he found the tax for the year collected in advance by his predecessor. He at once slapped on the tax for next year. When China's Christian General had robbed the Honan farms of their best youths and started for Peking with an army twice the size of the one he entered with, his successor, Chang Fu Lai, in order to raise a new army, collected still another year's tax in advance and re-opened all the dens of iniquity in Kaifeng. Now that the ambitious National Army scheme is to take his army from him it is only natural that he should prepare to levy the sixth tax in two years in order to arm and equip them. The same answers for Shantung or almost any other province. One cannot describe the growth of militarism in China. It is like the Kansas sunflower, it grows so overnight.

I have given merely the outlines of the two plans for disbandment of troops in China and the creation of a National Army. Feng Yu-Hsiang, who is named in one as Director-General and in another relegated to Mongolia, has formed a plan of his own for the disbandment of surplus troops, but this has not been published and I understand it is being held for discussion at the Tuchans' conference. In the rough his idea is to send a commission to the several provinces to investigate what units can be spared and what can be saved. He is popularly supposed to hold the view that the moment is not propitious to make any radical changes in the military system. As a Christian he opposes militarism. As a military man he believes the man with the best and strongest army is the most powerful influence for peace. He has the best troops in China, and its numbers are increasing daily. They have been ungergoing intensive training, with forced marches all winter.

It may be quite difficult to say just when militarism began in China, but it is quite easy to say just where it is leading and no sensible man can be deceived by the various disbandment announcements being put out by the military Satraps in Peking. Unless the spirit of militarism is checked the so-called republic will be split into a numer of groups of more or less autonomous provinces, each group either at war, about to go to war or just emerging from war. This is pretty much a picture of China to-day. Nothing but a series of treaties with foreign powers pledging the customs, the salt tax and the wine and tobacco tax as security for loans holds the shadow of a democracy together. Even these slender threads are straining to the breaking point, as the defaults in loans and the recent foreign naval concentration at Canton indicate. Some people think fighting soon will be over in China. They are right: it will be all over China; and all over for China.

Chinese American Bank Converts Capital to Silver

New by-laws of the Chinese American Bank, whose head office is in Shanghai, provide that the capital of the bank shall be $10,000,000 silver. The original capital was set at $10, 000,000 gold, half of which was paid in. The bank is reported to have effected the change from gold to silver at the rate of 2¼ silver dollars for one gold giving it a capital of $12,250,000. The by-laws still provide that capital may be subscribed by citizens of China and America and that at least half is to be held by Chinese. Chinese capital exceeds one-half at present, and it is believed that the change in authorized capital is due to that fact. The Shanghai branch made a net profit of $248,000 during 1923.

Pacific Mail to Show Net For 1923

The Pacific Mail Steamship Co., which was one of the few shipping concerns to more than break even on operations in 1922, is expected to again show net income for 1923, although the results will probably be somewhat less favorable than in the preceding year.

In 1922, net income amounted to a little more than $277,000, and after charges to profit and loss surplus account that account was increased by nearly $206,500 to $3,237,805, a figure only exceeded as of Dec. 31, 1920, when the surplus nearly reached $3,550,000.

Estimates for 1923 indicate that a balance somewhat smaller than the above will be added to surplus after all charges, including the large item of ship depreciation, which in 1922 was carried at $470,000.

It is understood that the company's revenue from the transportation of coffee from Central America to Californian ports was somewhat less in 1923 than in 1922. This part of the company's business is an important one, the coffee season in so far as Pacific Mail is concerned lasting from November to August.

The net result of the Japanese earthquake has been to somewhat increase the company's income. A falling off in eastern shipping has been more than offset by an increase in freight trade from California to the Orient. Passenger traffic, however, has not been materially affected one way or another.

The number of ships owned by the company was not changed during 1923 except that one vessel was lost, reducing the total to 12. Two ships, however, are now under construction and will be put into operation during the current year, thereby bringing the total of owned ships up to 14.

Considerable progress has been made since the close of 1921 in strengthening the company's working capital position. During 1922, loans and bills receivable were increased $550,000 while loans and bills payable were decreased $300,000. Net working capital position in that year was increased from less than $132,000 to nearly $761,000. Working capital as of Dec. 31, 1923, is expected to approximate the latter figure.

While somewhat uncertain, the outlook for 1924 is characterized as being at least as favorable as at the beginning of last year. It is pointed out that the necessity of transporting steel, lumber, etc., to Japan will continue for some time to come and Pacific Mail will undoubtedly profit by this business.

It is furthermore likely that if President Coolidge's proposal to increase coastwise shipping to include the Philippine Islands becomes a law, Pacific Mail would prosper accordingly, although the passage of this proposal would probably stimulate greater competition.

Pacific Mail has no funded debt and only one class of stock, the preferred having been retired in 1918. Of an authorized issue of 400,000 shares, par $5, 300,000 shares are outstanding.

As of Dec. 31, 1922, American International Corporation owned 92,794 shares of Pacific Mail's stock. Control of Pacific Mail is held jointly by American International and W. R. Grace & Co.

China Society Publishes Monthly Bulletin

The China Society of America has added another force to the service they are rendering in bringing about better understanding between China and America, by the publication of a monthly bulletin entitled *China*, the first issue of which appeard in January last. Merle Walker and Carl H. Getz are the editors, and merit appreciation for the interesting material contained in the initial issue. *China* starts out as a four page leaflet, but with every promise of growing. The annual dinner of the China Society was held in New York on February 12. Dr. Henry Osborn and Roy Chapman Andrews were the guests of honor, and the attendance was also expected of the Chinese Industrial Delegation headed by Chang Chien, Jr.

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Who's Who in China

Mr. Pan Ching-po
潘作楫字澄波

Mr. Pan Ching-po, general compradore of Messrs. Jardine, Matheson and Company, Ltd., is a native of Heongshan, Kwangtung, and is 58 years old. He entered the business world at Shanghai at an early age and has won the confidence of both Chinese and foreign merchants in this port. He was appointed compradore of Jardine, Matheson and Company, Ltd., in 1911 the premier British firm in China, and has held this position continuously to the present. He is an active member of the Chinese General Chamber of Commerce and an acknowledged leader in the business life of China's Commercial Metropolis. He has been awarded a Presidential Tablet and the Third Class Chiaho decoration.

Mr. Yang Moi-nan
楊枝字梅南

Mr. Yang Moi-nan, Chinese manager of the shipping interests of Butterfield and Swire, Shanghai, was born in Heungshan, Kwangtung, and is 52 years old. At the age of 16, he came to Shanghai as an apprentice in business, serving first in the navigation department of his firm and becoming eventually a compradore of one of the company's steamships. During the early days of the Republic Mr. Yang was agent of his company at Chefoo. In 1918, he was transferred to Shanghai to take charge of the Chinese interests in the shipping department. Mr. Yang is a member of the Chinese General Chamber of Commerce and an advisor to the Ministry of Communications. He is a director of the Good Roads Movement, the Canton Guild, the Commission on the Chefoo-Weihsien Railway, the Chefoo Municipal Council, the Chefoo Chamber of Commerce and the International Famine Relief Committee. He is honorary president of the Chefoo Y. M. C. A. and of the Anti-Opium Association.

Text of China Trade Act Amendments Received

Printed copies of the Joint Resolution introduced in the House of Representatives by Congressman L.C.Dyer on December 5, last, amending the China Trade Act and the part of the Revenue Act of 1921 whereby Americans in China are subject to income tax, have been received in Shanghai. Most important is the first section which reads:

"Hereafter no corporation shall be formed under any law of the United States in China for the carrying on of business within China, except under the provisions of the China Trade Act of 1922, nor shall any corporation hereafter formed, except in accordance with the provisions of said Act, hold itself out as being a corporation formed under the laws of the United States. All laws, parts of laws, rules and regulations in conflict herewith are hereby repealed."

If the amendment is passed, it will not affect the status of companies in China already incorporated under the laws of different states, but corporations formed henceforth will all come under the same regulations and the confusion and uncertainty which exists regarding American companies' legal status will be avoided. The companies of other nationals in China all come under the one corporation law of their country.

Other amendments in the Resolution are: The prohibition of China Trade Act corporations engaging in shipping unless the majority of stock is owned by citizens of the United States. The minimum number of directors of a China Trade Act corporation is amended from five to three, the majority of whom must be Americans. No company may operate unless 25% of its authorized capital is paid in; and no shares may be issued at less than par.

With regard to amending the Revenue Act, the Resolution reads.

"Section 264 (a) That, for the purpose only of the tax imposed by Section 230 (Income tax) there shall be allowed, in the case of a corporation organized under the China Trade Act, 1922, a credit of an amount equal to the proportion of the net income derived from sources within China (determined in a similar manner to that provided in Section 217) which the par value of the shares of stock of the corporation owned on the last day of the taxable year by (1) persons resident in China, the United States or possessions of the United States, and (2) individual citizens of the United States or China wherever resident, bears to the par value of the whole number of shares of stock of the corporation outstanding on such date."

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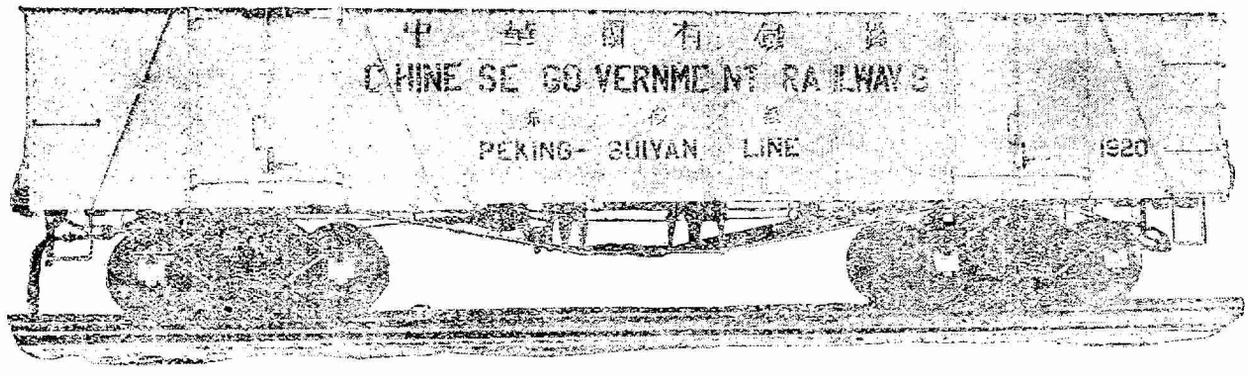

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Operations of the Chinese Cotton Exchanges

BY B. Y. LEE

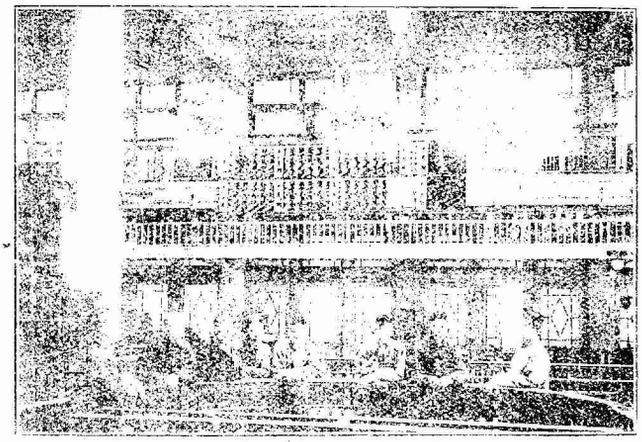
SPECULATION enters into the marketing of all commodities in all modern countries and China is not exceptional to this case, and, like most human institutions, is neither wholly good nor wholly evil. Only those who prepare themselves can hope to succeed, and then their success comes because of much thought, long experience, and persistent self-control. Speculation is assumed to assist in the distribution of a commodity in a manner to render the fluctuation in price less sudden and abrupt than it would otherwise be. Speculation through the organized exchanges in reality is not much different from the speculative business done between traders in old days, yet the public opinion in China in general is strongly opposed to this and very often no distinction is made between speculation and gambling.

Mr. H. Y. Moh, one of the promoters of the Cotton Exchange who is also extensively interested in cotton manufacture and improved methods of production.

The first organized exchange was started in Shanghai in 1921 and is called Shanghai Stock and Produce Exchange with the capital of five million dollars. After a few months of successful operations, Shanghai alone came in the summer of that year to have some hundred and fifty organized exchanges with the initial capital of more than one hundred million dollars. After few months' time the over-enthusiasm died out quickly and only a few of them are in existence today. Among the most important ones are the Shanghai Stock and Produce Exchange, and the Shanghai Chinese Cotton-goods Exchange. The latter of the two was organized in 1922. The latter is rising like a meteor in the cotton and yarn market in the country. Many cotton mill-owners are principal promoters and they are participating in its varied operations. Mr. H. Y. Moh, a cotton magnate, is its president. It is not so much a "traders, market," but rather a "speculative exchange," as there is very little actual business being carried on.

The word "exchange" literally means "business emporium" and speculator means "opportunity seeker" in Chinese and hence speculation means "business" to many speculators. Cotton goods exchange, in reality, is supposed by the public to be a gambling hell in China, but according to its meaning, it is termed "cotton goods business emporium." When a person speculates, he does "business" so to speak. It has often happened that within two weeks' time the total loss or profit to speculators may reach a couple of million dollars. The speculation is mostly patronised by the "outside" speculators, who, like all amateur gamblers, are losers as a class; and most of them are in the long run losers, individually. Unquestionably many who have lost their fortune are "outside" speculators. Besides Chinese there are foreign merchants patronising the exchanges especially the Japanese, who can practically influence the ups and downs of price to a great extent.

The business starts at 9.30 mornings and at 2 in the afternoon excepting Sunday and other Chinese holidays. There are four quotations for yarn as a rule in each session and each session lasts about two hours depending upon the amount

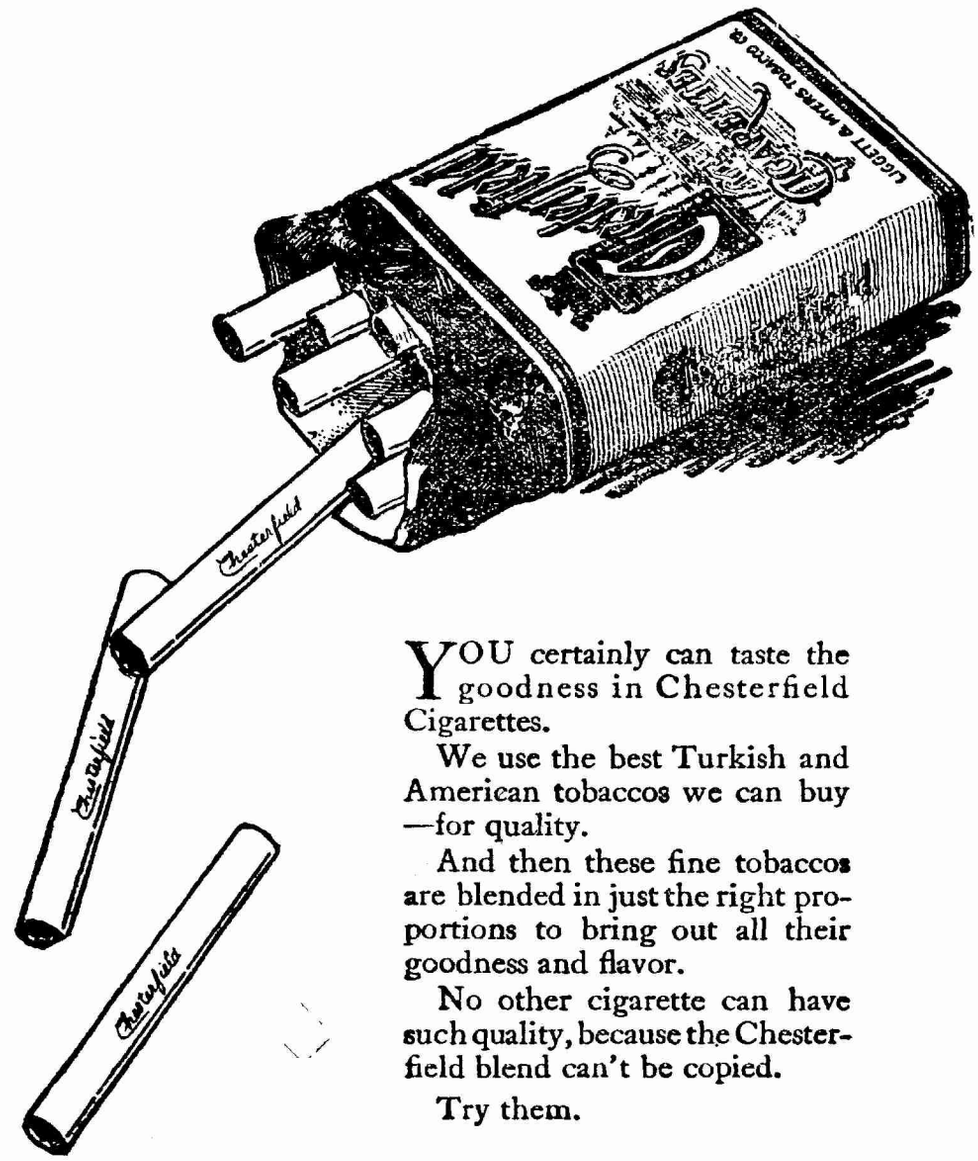


Interior view of the Exchange showing part of staff and quotation board.

of business being transacted, and there are three quotations for cotton. During the time of violent fluctuation, there are from 500 to 1,000 speculators crowded in each of these exchanges, and in such case, it has often taken an hour or so to fix the first quotation. As the speculative exchange is quite new, only Tungchow cotton and 16's yarn are being popularly patronised. The number of brokers varies from 50 to 100 and each is required to put up a cash deposit or its equivalent of 5,000 to 10,000 taels. All transactions are done in taels. The number of brokers is unlimited and there is no other qualification required except the deposit and two bondsmen of any description.

The margin money required per bale of yarn is six taels with fifty bales as a unit, and for cotton, three taels per picul with one hundred piculs as a unit. Should the price either drop or advance one half of the margin money, the speculator is required to add second time margin, otherwise the broker may sell or buy for his clients without the latter's consultation. During the time of violent fluctuation from four to five taels in either direction, most cautious brokers are not enthusiastic to do business with clients of suspicious financial standing. The nominal commission charged per bale of yarn is a half tael when its price is below 150 taels per bale and 55 tael cents when the price is over this figure and per picul of cotton it is 12 tael cents. The charge may be cut down from 25% to 50% depending upon the amount of business and character of the clients. One-fourth of the nominal commission goes to the exchange. The balance must be paid by either parties within three days after the business is closed. Besides actual cash, government bonds and other negotiable papers are accepted at certain per cent off of their face value as substitutes for margin money. On the average the total number of bales of yarn transacted per day is from 30,000 to 50,000, and cotton from 10,000 to 20,000 piculs. The total daily expense of each of these exchanges is from $500 to $1,000.

Many cotton-millowners, cotton-merchants, and also foreign cotton-merchants have their own brokers in these exchanges to buy or sell spots or futures according to circumstances. They are often practising what is termed technically "hedging" to insure against great loss. The quotations for the six subsequent months are quoted, and during the active period, the price between the two extreme ends may be as much as eight taels or more per bale of yarn, and in such case some would sell futures at profit to insure fair returns rather than to wait till the end of the last month. The Japanese merchants and millowners are regularly patronising the exchanges whenever opportunities are presented. The practise of hedging by the manufacturers is being widened in



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Agencies in principal cities throughout China

scope and in degree. One millowner has lost more than two million dollars during the past years at several strokes through speculation in futures. There have been many similar and minor cases happen occasionally. The exchanges serve as price barometers. The price quoted there for spot and future determines to a large extent the price at which the farmers and merchants will sell and buy; thus forming the basis for dealings in all parts of the country. Now the exchanges have assumed such great magnitude and actually superseded the cotton and yarn dealers' associations in fixing the price of their respective commodities.

As a rule when the country is peaceful and the demand for yarn is normal, the price goes entirely in sympathy with American and Indian cotton and the Japanese yarn in Japan. Before quotations are fixed in the morning, speculators and merchants first have to see the New York, Liverpool, Bombay and Osaka (Japan) telegraphic quotations, and then the political and economic conditions of the country before taking any chance in buying or selling. These telegraphic quotations on the very day and the day before are written down on blackboards to serve as price barometers, which constitute "inside information." It has happened many times in the course of a year, a sharp decline or advance of 100 points or so of American cotton or 5 Yens or so of Japanese yarn does not reach here in proper time by reason of the delayed cables. In such case the buying and selling simply goes on blindly till the telegraphic quotations are written down and then the speculators are excited and perhaps during the short interval some one might have reaped a great fortune.

Very few shrewd speculators can ever get all the "inside information" in regard to the trend of the yarn price as there are many foreign as well as domestic factors governing its fluctuation. Externally one should thoroughly understand the cotton market in America, in India, and yarn market in Japan as well as the political conditions of these countries and also the daily quotations of foreign exchanges between countries; internally he should thoroughly understand the actual supply and demand of China cotton, the economic and political conditions of the country, particularly in regard to the fighting spirit of various generals and warlords, sudden clamor of an anti-Japanese goods movement, and lastly the interest rate of the native banks. Groundless rumors and sensational reports in regard to movements of troops of various warlords often give temporarily sharp declines in price. There must be some good reason if "breaks" come suddenly during the middle of a day and thoughtful speculators can not sit down quietly and consider them meaningless.

In the absence of an agricultural department or any organization in giving out forecasts of cotton crop estimates each season, it is impossible to state with any degree of accuracy the exact nature of the crop in this country. All other estimates are always mere guesses. The amount of rainfall, activity of boll-weevil and other insects, weather reports, number of mow under cultivation and amount of fertiliser used so far throughout the cotton-growing sections are not tabulated in any way for scientific purpose. Buying or selling futures during the summer months is pure gambling. The amount to be consumed or exported is practically unknown as the price of American and Indian cotton has great effect upon it. Japan depends upon America, India and China to supply her raw cotton. If the middling is too dear, Japan first comes to China to buy the greater bulk of her good crop before the Chinese cotton merchants and millowners have realized the true situtation. They have done it many seasons and have repeated it again this season as every one knows the American crop will be a short one. In order to do this quietly they buy cotton in future delivery as much as half a million piculs in the exchange whenever the price temporarily declines. When the news of Japanese buying futures reaches the public, the outside speculators would naturally follow the bull side, then the price would advance, provided the other conditions remain the same. When the price reaches the top, the Japanese sell the futures, which would naturally create the bearside of the market.

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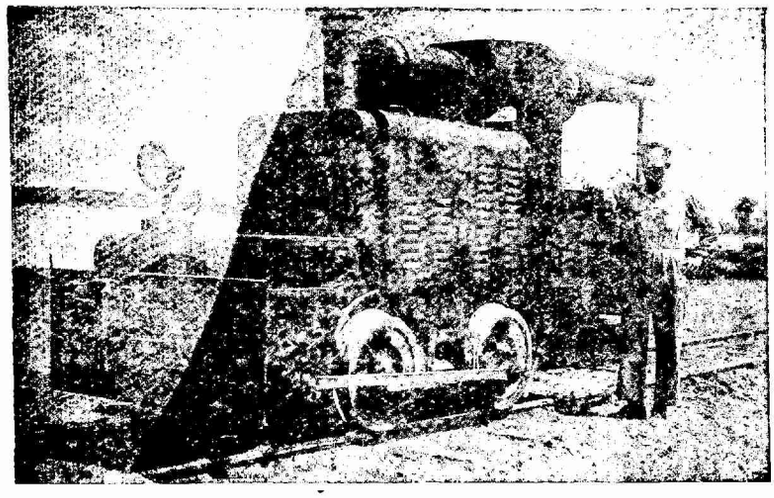

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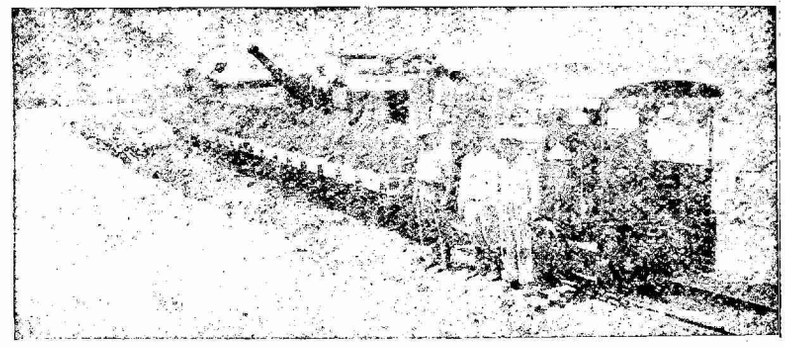

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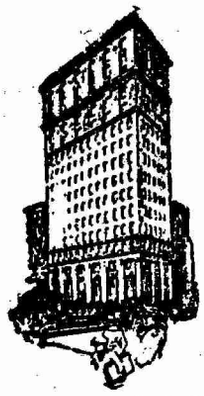

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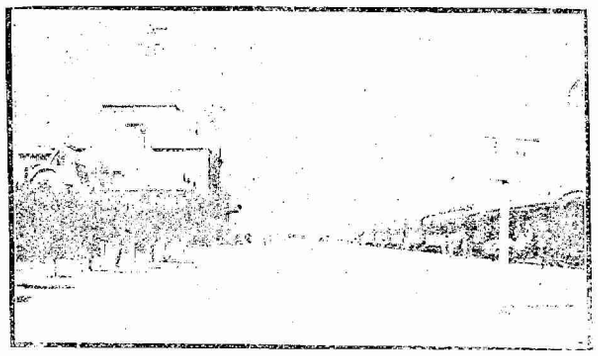
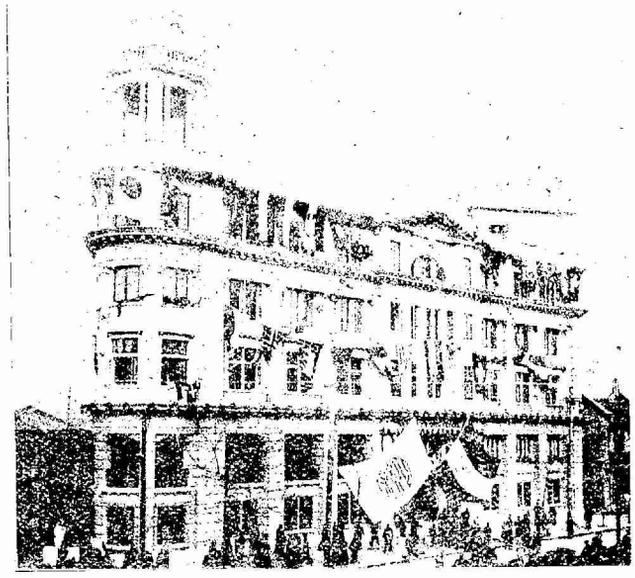


Shantung Railway Train at the Tsinanfu Station Preparing to Start on Its Daily Run to Tsingtao

Kiaochow-Tsinan Railway

The Kiaochow-Tsinan Railway running from Tsingtao to Tsinan is 394.06 kilometres in length and has 50 stations on the main line and 6 on branch lines. It has over 1,000 bridges and culverts, of which 107 bridges are of 100 ft. spans or more and 562 masonry, arch, box and pipe culverts, and over 1,960 pieces of rolling stock, including 108 locomotives, 1,661 freight cars, 196 passenger cars. The lines run through the most important and historical places of Shantung Province, while the surrounding towns and cities abound in picturesque scenery. In order to give every facility to the travelling public, this railway has joined the Domestic Through Traffic arrangements with the Chinese Government Railways and China-Japan Through Traffic with the Japanese Government Railways.

Practically more than half of the cotton crop is sold in the open market within two months after picking is finished, that is from September to November. The average farmer is anxious to sell his cotton in order to pay off his debt on account of high interest rate. This is the most critical period of the year as the fluctuation is highest. This has happened in many previous seasons, particularly true when the American cotton happened to decline during the corresponding period. Then the price may go down like a toboggan. During the harvest time in 1922, American cotton was quoted around 22 cents per pound, which plus freight and duty, would mean around 46 taels per picul, but during the same time the price of Tungchow cotton was quoted at the lowest level of 26 taels per picul. Toward the end of the year when the American crop was known to be short and the price had advanced to 28 cents, the price of Tungchow cotton went up to 45 taels. During this interval some foreign speculators made a million dollars from the exchange. This explains why most Japanese, British and some Chinese mills, with plenty of reserve funds, bought more cotton than their own need during this period and afterward resold it and made enormous profit. Up to the time of writing this season, the same has happened. The Tungchow cotton has advanced from 35 to 50 taels per picul within two months time.

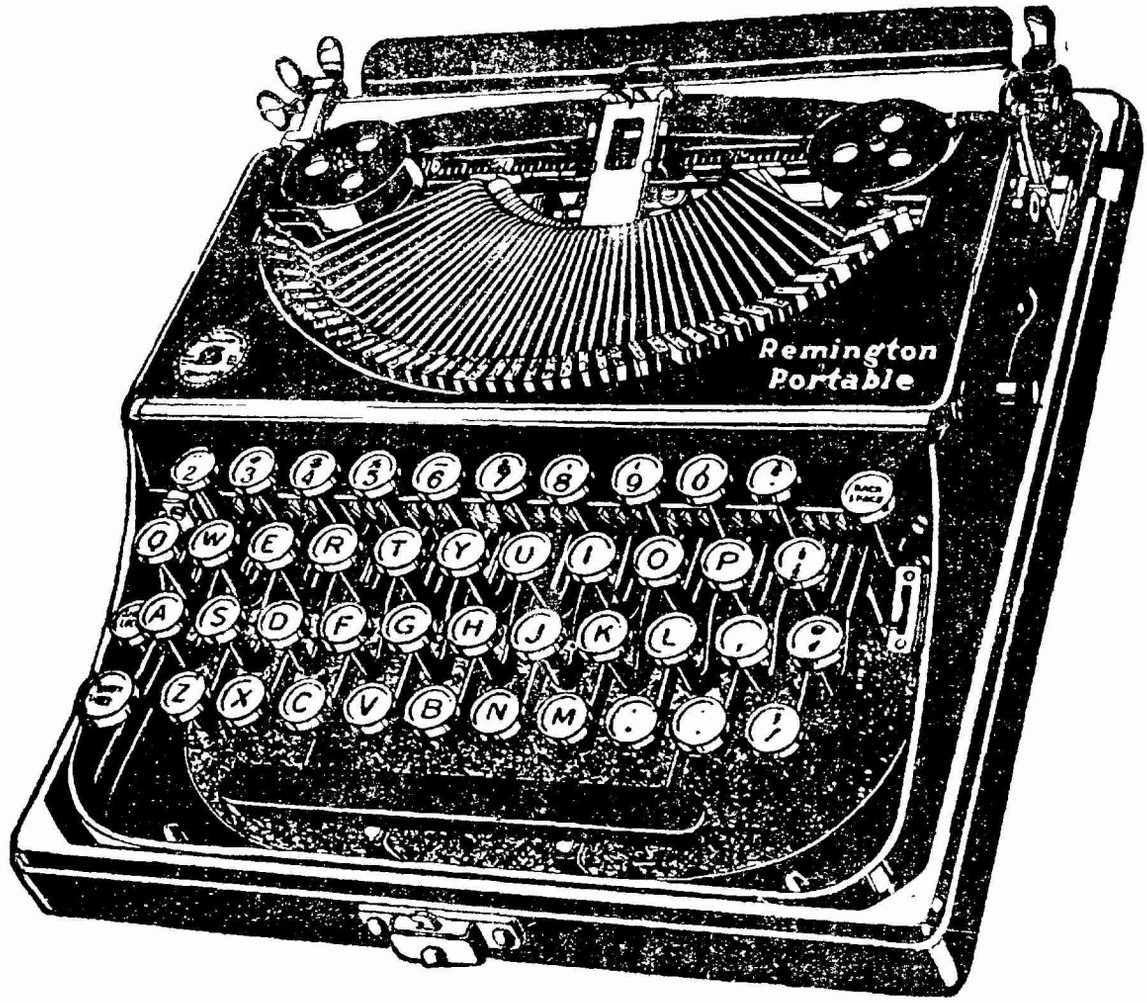


Building of the Chinese Cotton-Goods Exchange in Shanghai.

A violent decline or advance of 30 taels per bale of yarn in a short time is a usual phenomenon in the Chinese yarn market. It happened last year when cotton rose from 26 to 45 taels per picul, and during the corresponding time yarn rose from 120 taels in October to 160 taels per bale toward the end of the year. Again it happened a very short time ago before the election of Tsao Kun as president, when the rumor of civil war was impending and the yarn business was at a stand still. Immediately after the election, everything went on smoothly and quietly, then within a comparatively short time the price of yarn advanced 35 taels per bales. It is readily seen how quickly a speculator may make or lose his fortune during the time of such violent fluctuation. An average speculator would take risks to buy or sell, say, 100 bales of yarn, or 200 piculs of cotton. An extreme case may be taken as for example he may lose or win $10,000, the interest of which may enable him to live fairly comfortable.

Another unusual cause to knock down the yarn price considerably is the boycott movement against the Japanese-made goods. This happened last spring when the people tried to cancel the infamous 21 Demands. Generally speaking the yarn manufactured in Japan or in Japanese mills in China commands higher prices, sometimes five taels per bale or so, as it is preferred by Chinese weavers for its quality and evenness. When the boycott movement had reached its zenith, the Japanese yarn would have reached its lowest level, and some times it was ten taels or so lower than ordinary Chinese. In such a period the Japanese millowners would make the wholesale futures in

(Continued on page 433)



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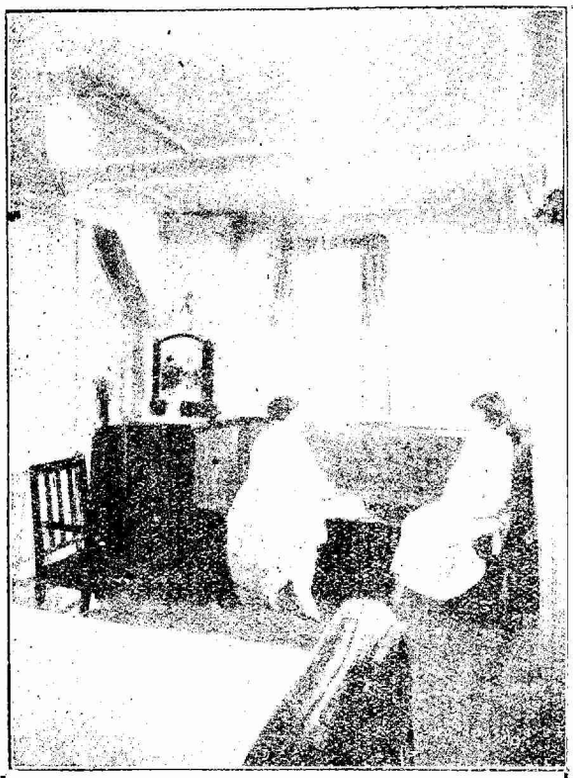

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Modernizing the Farmers Around Tsingtau

BY J. J. HEEREN, PH. D.

A wide boulevard flanked on both sides with double rows of Japanese cherry trees, 20,000 in number. In the cherry blossom season this avenue ablaze with color and redolent of spring is a veritable paradise.

TO grow two bushels of wheat where they used to reap one, to increase the yield of their cotton and to improve its quality, to raise cows giving gallons instead of pints of milk, to feed and to house poultry so that the hens will lay 150 instead of 75 eggs a year, to plant and to grow trees, to raise tasty instead of tasteless pears and apples, to protect insect killing birds and to kill crop destroying insects are lessons the Chinese farmer needs desperately. In the former Leased Territory the Tsingtau Bureau of Agriculture and Forestry is the school, and D. Y. Linn and his staff are the teachers to teach these lessons.

As in the case of the Shantung Railway so in this instance the Germans laid the foundations for the present efficient work of the Bureau in forest and on farm. When the German marines marched their first "goose step" on the shores of Kiaochow Bay, Tsingtau was a dirty, dingy, foul smelling fishing village; the hills stretching away towards the east and the north were piles of barren rocks interspersed with an occasional shrub or scrawny tree; the farmers were sowing, reaping, threshing and marketing the same crops in the same manner as their ancestors had done for forty centuries.

Germans Started Movement

With the ink of the Kiaochow Convention barely dry the Germans began to plant trees on the hills around Tsingtau. During the 15 years of their occupation they spent 2,300,000 marks on afforestation and planted approximately 20,000 mou of land with trees. East of the city, in a protected place nestling among the hills, the Germans developed their Botanical Gardens with more than 200 species of trees, shrubs and flowers. Here one finds the noted "Cherry Blossom Lane", a wide boulevard, flanked on each side with double rows of Japanese cherry trees, 20,000 in number. During the cherry blossom season, when this boulevard is ablaze with color and redolent of spring, the Botanical Gardens with their superb automobile roads, bridal paths, lovers' lanes and hidden, winding walks are a veritable paradise.

In the near-by orchards one finds some 5,000 fruit trees, including 19 varieties of pears, 8 of persimmons, 5 of peaches, 2 of plums and various kinds of apples. Besides these there are 4 kinds of grapes and 16 of strawberries as well as other kinds of berries. Trees, bushes, shrubs and plants from Germany, France, Japan, China, Canada and the United States have contributed to the making of these orchards.

Chinese Farmers Benefit

"But is all that modernizing the Chinese farmer?" you ask. Yes, it is. There can be no question of that. If you are a doubting Thomas, go with me during the fruit season for a ramble through the great market halls, built by the Japanese, and let your eyes feast on the bewildering assortment of luscious fruits and tempting berries all brought in from the country. Then picture the bleak, barren wind swept hills and plains of 20 years ago. Wonderful change! Who in Shantung in recent years has not heard of Tsingtau strawberries! Even in Tsinan, 240 miles from the port, the foreign house wives order their cooks to buy Tsingtau strawberries as soon as they appear on the local market.

Even Cherry Blossom Lane and the myriads of flowers are having a modernizing effect. During the summer months dozens of Chinese hawkers come from the outlying villages, often as far as 30 li away, with loads of mountain lilies, pansies, crysanthemums, asters, hydrangeas, gardinias, geraniums, carnations, coreopsis, oleanders, roses, et cetera. With a few dollars of money the house keepers of Tsingtau and Iltis Huk can turn their verandahs into flower gardens.

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Afforestation

Leaving the tempting fruits aud the fragrant flowers we come to the more prosaic features of afforestation. In this both the Germans and the Japanese did efficient work. As already indicated the Germans planted about 20,000 mou of trees, and the Japanese another 20,000 mou, spending 200,000 yen annually. Some of these trees have reached the height of 60 feet and have already furnished some timbers for the Japanese coal mines.

At present the Bureau of Agriculture and Forestry, now entirely under Chinese management, controls 240,000 mou of forests of which it owns about 50,000 mou. The remaining 190,000 mou have been planted through private initiative but are under the administrative control of the Bureau. The peasants and the farmers have planted these thousands of mou because they have come to realize that trees mean added wealth. The Bureau encourages the farmers to break with the ideas of the past by offering them transplanted seedlings free of charge. Last spring Mr. Linn distributed 107,000 to 93 different villages. When a farmer accepts a seedling, he does so under very rigid conditions. For a period he may not fell the trees; he may not even thin out the branches without an official permit. Some 40 forest police put some real meaning into these regulations. The farmer may laugh at the mandates of Peking; the regulations of the Bureau he obeys. Twenty-two years of training at the hands of the Kaiser's and the Mikado's foresters has both created new visions of potential wealth and instilled a respect for local law.

D. Y. Linn, Director of Tsingtau Bureau of Agriculture and Ferestry. He is a B. Sc. in Agriculture of Massachusetts Argicultural College and Master of Forestry of Yale School of Forestry. A man of high moral and scientific ideals Mr. Linn represents the best of new China.

Sugar beets raised at Litsun. The experiments of the Japanese demonstrated that sugar beets can be raised successfully in Shantung.

In the spring the forestry section of the Bureau is a beehive of activity. Last spring the Bureau planted 300 mou of trees, put out 6,220 shade trees along roads and streets, transplanted 1,135,730 seedlings, destroyed 1,000,000 cocoons and 10,000,000 larvae of insects injurious to trees. In order to secure the services of women and children in its spring war against forest pests the Bureau pays a fixed price per "chin" of worms and cocoons.

Agriculture and Animal Husbandry

As in the case of the forestry so in the agricultural work of the Bureau the foundations were laid by the Germans. In 1909, apparently, the newly founded German-Chinese University of Tsingtau began to do some experimental work at Litsun in animal husbandry. The Japanese, however, deserve the main credit for developing this as well

The dairy herd of Holsteins and Javerlanders at the Litsun agricultural station. In order to increase the milk production of the Chinese cow the Japanese imported this herd from Germany. Both breeds are noted for the large quantity of milk they produce. Behind the herd there are two concrete cattle barns with concrete floors, concrete mangers, concrete gutters, screened doors and windows, running water and electric lights.

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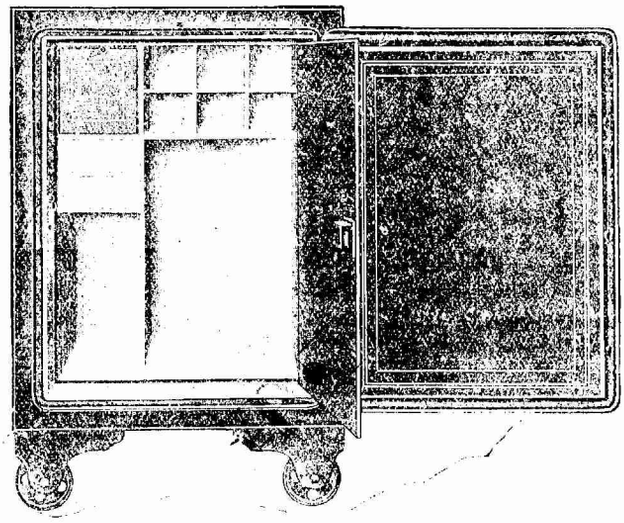

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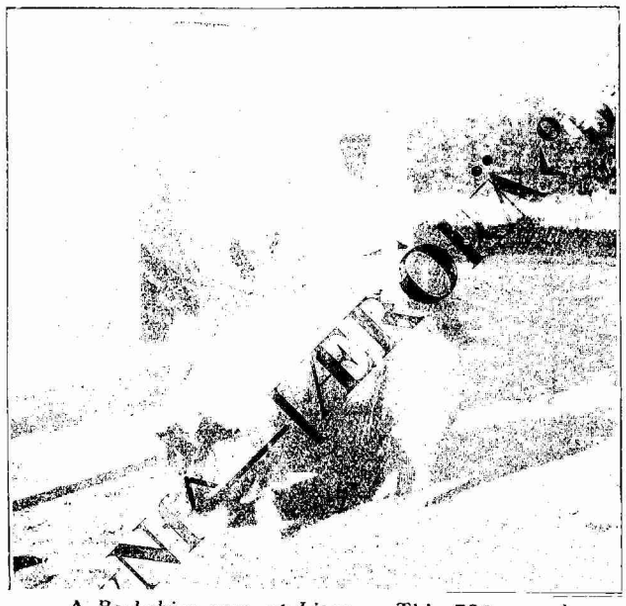
as starting other phases of agricultural work. They spent $150,000 for buildings and equipment. Fourteen fairly large and a dozen or more smaller buildings, as well as 360 mou of land, remain as silent witnesses bearing testimony to the farsighted plans of the Japanese for a resistless campaign of peaceful penetration.

A plot of grapes at the Litsun Station.

"This agricultural station is modern and up-to-pate in every respect", is the verdict of an American expert. The ideas embodied in the buildings are the latest. The chickens, the hogs, the goats, the sheep and the cattle are all housed in concrete barns with concrete floors, concrete troughs and mangers and concrete sewerage gutters. Everydoor and window is screened, and running water and electric light are found in every building. When a cow is about to give birth to a calf, she is taken to a special pen in a special barn, away from the bustle of the main herd. When any member of the herd falls sick, it is put into the isolation barn. In short modern agriculture stares you in the face at every step.



A Berkshire sow at Litsun. This 700 pound sow lives like a princess among hogs; she sleeps on a concrete floor, she eats and drinks out of a concrete trough, and her food is brought to her on a little car hauled along a light railway track.

Cotton Experimentation

The station's 360 mou of land is covered with plots on which tests are made to discover the best kind of cotton, hemp, tobacco, wheat, barley, clover, apples, pears, grapes, etc. for this part of Shantung.

One of the main experiments is with cotton. In this the Japanese were keenly interested. With their huge cotton mills at Sifang and Tsangkou, soon to operate 500,000 spindles, the Japanese foresaw that these mills would need cotton by the trainload. They conducted experiments both at Litsun and at different points along the Shantung Railway and succeeded in securing an increased yield of 66-100% and a materially longer lint. This year the station experimented with several kinds of American cotton.

Dairying

Another problem engaging the attenion of the Litsun station is the increase of the milk production cow. Neither drinking milk nor eating butter and cheese, the Chinese farmer considers his cattle either food in the form of beef or motive power to pull his carts or farming implements. This conception, however, is slowly changing. In places like Tsingtau and Tsinan many Chinese are beginning to use milk. One of the Tsinan dairies has 5 times as many native as foreign customers. Keeping in mind the needs of Tsingtau and foreseeing a growing consumption of milk on the part of the Chinese, the Japanese imported from Germany a number of Holstein and Javerlander bulls and cows, both of which breeds are noted for their production of milk.

A plot of American tobacco at Litsun. Some of the tobacco plants are taller than Mr. Linn, who is standing in the plot.

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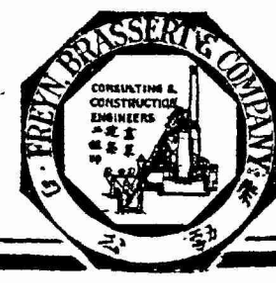

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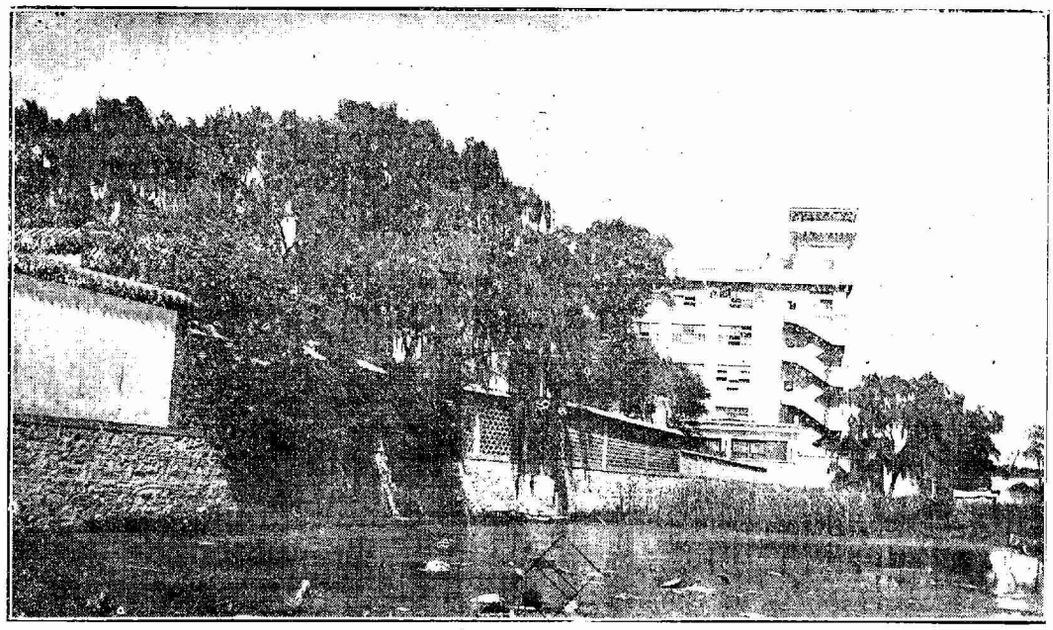
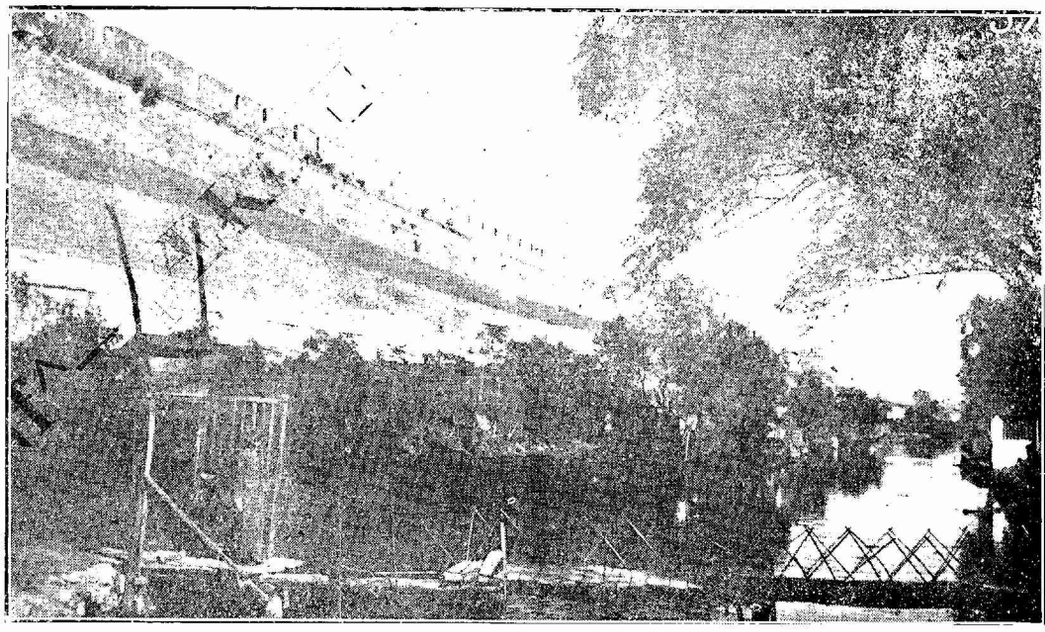
PROGRESSIVE SHANTUNG

China is sometimes called THE OLD-NEW COUNTRY. It is old in a splendid culture and great past achievements. It is new in respect to great opportunities and vast undeveloped resources. The spirit of machinery, electricity and modern industry is gradually penetrating throughout the country. Shantung Province supposed to be conservative is taking the lead and setting a good example to other provinces. Progress is most in evidence at the Capital, Tsinanfu, and the Port of Tsingtao. Particularly at Tsinanfu, a substantial industrial development has taken place under Chinese direction with the assistance of foreign Engineering firms



East Wall, Tsinanfu, capital of Shantung. It is emblematic of "Old China," its culture and great accomplishments.



Modern flour mill—one of eleven in Tsinanfu. It is emblematic of "New China" and the advance of "Machinery Civilization in China," The Old-New Country.

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Twenty years ago these were barren, bleak and wind swept hills; now they are thickly wooded. The building in the lower right hand corner is the office of the Bureau of Agriculture and Forestry.

The station is now conducting experiments in cross-breeding the Holsteins and the Javerlander as well as in crossbreeding these two with native breeds in order to develop the best all-around cow for Shantung.

Poultry Improvement

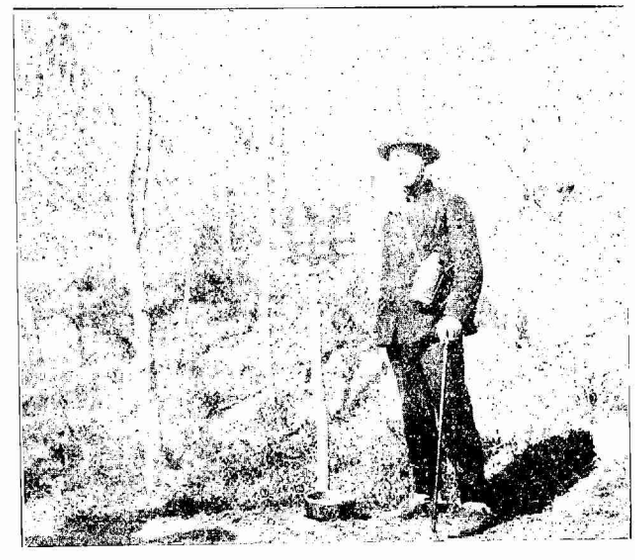
A third line of effort is the improvement of Shantung poultry. Since most of the eggs exported from the province go to Japan, the Japanese gave serious attention to poultry improvement. Their investigators estimate that the average number of eggs laid per year per hen in Shantung is 84, an average slightly higher than that of Japan, while in the United States many hens lay 200 or more (one hen in the Oregon Experiment Station laid 303 eggs in one year).

According to Japanese experts, in 1916 Shantung exported 33,201,310 eggs at a value of approximately $400,000. Double the production of eggs by teaching the farmers how to feed chickens, how to house poultry, how to store and market eggs, and you increase the wealth of Shantung, without adding a single hen, by the sum of $400,000. Poultry raising is an exceedingly profitable bye-product of farming; the annual poultry products of the United States are valued at $1,200,000,000 Mex., or twice the cost of digging the Panama Canal. Realizing that there is tremendous potential wealth in poultry the Litsum station is experimenting with imported Leghorns, Cochins, Plymouth Rocks, and Light Brahmas as well as native breeds in order to improve the native stock.

Appreciation of D. Y. Linn

When the Japanese returned Tsingtau the Bureau of Agriculture and Forestry was put in charge of D. Y. Linn. Dr. Linn is a native of Kuangtung and is 35 years old. After graduating from St. John's University in Shanghai, Mr. Linn went to the United States where he graduated in 1912 from the Massachusetts Agricultural College as a B. Sc. in Agriculture and in 1914 from the Yale School of Forestry with the degree of Master of Forestry. He has held various positions as, Y. M. C. A. lecturer on Conservation, professor of Forestry in the University of Nanking, and government expert and Commissioner of Forestry for the province of Shantung. While holding these positions he wrote six books, two of them popular text books, on various phases of agriculture and forestry.

A man of high moral and scientific ideals Mr. Linn has already demonstrated that, if the "old time" officials do not interfere with his work and do not withold the necessary funds, the modernizing of the farmers around Tsingtau, and indirectly in other parts of Shantung, will proceed rapidly. The mantle of Dr. Chiogawa, the able Japanese director, has fallen upon worthy shoulders. In fact, Mr. Linn is probably the best man in all China to have charge of the Tsingtau forests and agricultural station, the best equipped in the whole country to carry on this work of modernization.



One of the Forest Police. The farmers fear these police, putting "pep" into the Bureau's regulations more than they do the mandates of Tsao Kun. The sign board reads: "Take Notice! Please drop cigarette stumps into the spittoon to avoid forest fires."

青島農民之革新

中國農人墨守舊法舉凡歸於棉麥等產額之增進家畜鷄禽等生產力之增加森林之種植果樹之移接護穀鳥之保護害穀蟲之驅除種種亟不容緩之知識均非諳習當今貫輸此項知識之機關爲青島農林局總其成者爲凌君道揚而該局得有今日之成蹟則惟賴德人二十年之苦心經營耳蓋當德人初抵膠州之時青島一鎭猶汚穢腥臭牛山濯濯農人之播種刈割入市變賣猶四千年前之古法也

當膠州條約成立後墨猶未乾德人即於青島附近山林中偏植樹木計德人佔據膠州十五年中所費植樹經費約二百三十萬馬克植樹區域約有二萬畝之廣幷於東城闢有植物園多所搜集有二百餘類之花卉草木其著名之公園路亦在該處當季春之交道旁櫻花怒放加以植園百花爭豔徘徊閒游不啻如入桃源仙境也至德人所建果園統計亦有五千果樹之多品種繁多計梨類十九種櫻桃八種柿子六種桃子五種李類二種萍菓多種葡萄四種草莓十六種凡中西美品搜羅實不少也

或曰凡此植園果園豈與青島農民之革新皆有密切之關係乎余曰然謂余不信請至各大市場實地參觀其纍纍盈筐之果品非來自鄉間乎以今日鄉間之情形較諸二十年前之荒山僻地不啻霄壤之別此非一大革新乎青島楊梅魯人盡知即遠在濟南西人主婦莫不極表歡迎者也非特此也即區區公園路及其千萬櫻花其影響於農民之革新者亦非淺鮮但觀春夏之交賣花女郎不遠數十里而來沿戶兜售更觀花價低廉費番佛數枚可換得滿屋花卉讀者當不難思索矣

茲更討論其植樹事業德日人民對於此節俱有良好之成蹟德人植樹區域約有二萬畝之廣前節已言之矣而日人亦曾費日金二十萬元其區域亦佔有二萬畝之廣樹身之高且有達六十英尺者矣目下青島農林局所管轄森林區域佔二十四萬畝內五萬畝爲農林局所有十九萬畝爲私人經營而受該局之支配者觀其農民私自經營其洞悉森林之利也可知農林局以破除農民之成見爲目的故特分送移植種子去春該局分送種子計十萬七千其分送條件非常嚴極在一定期間內非得官家允許不得擅動一枝一木該局更僱有森林警察四十名專事解釋章程以便一般人之通曉故農民雖對於中央命令視若具文而對於森林局之條例則莫不恪守遵從此蓋二十二年來德日森林專家苦口婆心教育之功也每當春令該局森林部異常忙碌去春植樹區域計五百畝道旁植樹計六千二百二十枝移植種子計一百十三萬五千七百三十顆除去害蟲繭蛹計一百萬幼蟲計一千萬該局且出價收買蟲繭以鼓勵婦孺之協助云

至農林局農務事業其基礎亦爲德人所創始在一九〇九年德人於李村已有畜牧場之試驗然其大展企業則當歸功於日人其所費建築設備款項計十五萬元觀其大小建築二三十所基地三百六十畝其深謀遠慮侵蝕之隱藏可見一斑矣據某美人專家言上述畜牧試驗場其建築設備均爲最新式的凡鷄豚牛羊之棚槽溝渠均用混凝土溝造門窗戶闥備有帳簾而屋中則通以動水置有電燈母牛將產則遷往產室病則移至隔離室以防傳染其設備可謂週密矣

上述三百六十畝之試驗場並設有試驗區域以攷察適宜地土之棉麻煙麥等良好品種其最注意者爲棉種試驗蓋日人既在四方滄口創辦大規模之紗廠則關於原料之增加不得不多方設法以李村及膠濟路各段試驗之結果其產額之增加已有一二倍之譜纖緯亦且較長而今載且將美棉試驗矣

李村試驗場對於中國牛牛乳出產額之增加亦頗注意中國農夫以牛爲耕田之用待其既死則烹而食其肉餘無他用也惟近來思想亦漸改變華人之飲牛乳者亦漸加增濟南某牛乳廠其主顧中華人較西人多至五倍日人有鑒於此特運來德種若干以與中國種雜交俾造成力乳兼備之牛種也

李村試驗場更有一注意之事即改良鷄種是也魯省鷄卵大半運往日本故日人對此非常關心據日人調查所得山東產每鷄每年產卵計平均八十四枚與日本產彷彿而美產每鷄每年平均約二百枚又據某日本專家報告一九一六年魯省鷄卵出口總額計三三，二〇一，三一〇枚合洋四十萬元若能將雛鷄飼育法鷄舍建築法鷄卵儲藏法廣爲傳播則鷄額不增而鷄卵可增一倍是魯省每年將有四十萬元之額外收入矣養鷄事業本爲有利之副產業美國全年鷄卵價值計一百二十萬元日人有鑒於斯特將自泰西運來之里窩那種交趾種婆羅門種拍萊冒斯勞克種及本地種多事試驗以改良土產也

當中國收回青島時其農林局爲凌君道揚主持凌君生於廣東現年三十五歲曾在上海聖約翰大學畢業後再負笈赴美於一九一二年在麻省農業書院畢業得農科學士學位更於一九一四年在雅魯大學得森林科碩士學位凌君曾任青年會森林保藏運動演講員金陵大學森林學教授及魯省森林顧問與森林委員冷君曾著有歸於農林學書籍六冊其中二冊已爲學校科本矣凌君富於道德學問以其農林局之成蹟觀之若中國舊官僚不爲無意識之干涉不扣留其經常之款項則青島及全魯農民之革新當可積極進行前日本局長千代川博士知之當亦慶該局之得人也蓋在今日中國青島森林局之責任除凌君出而擔負外恐亦無有出其右者矣

(Continued from page 422)

the exchanges and that in turn would naturally knock down the Chinese yarn considerably and correspondingly. During such a period the price declined from 165 to 140 taels per bale. After the crisis the Chinese Cotton Goods Exchange decided that from October on no Japanese yarn will be transacted in order that such unusual violent decline may be minimised. This move has given some results for a short time, but now many yarn dealers are opposed to it and it seems very likely that this scheme will be looked upon as impracticable.

Many years ago the Chinese yarn market was in full sympathy with that of Japanese quotations, but on account of the increasing of spindlage in China during the last years, she is no longer depending on Japan to supply her need. During the last year the monthly import of Japanese yarn has amounted to about 12,000 bales and the quotations from Osaka called "sampin" still have great influence upon the yarn market here. In ordinary times the Osaka Exchange quotation is somewhere around 15 taels higher than that quoted in Shanghai. Should the former have advanced beyond this margin considerably, the Japanese yarn merchants would export the yarn manufactured in Japanese mills in Shanghai to Japan. In such case the price would naturally advance in the Shanghai market. During the last weeks the Osaka price, if figured in Chinese currency, amounts to over 200 taels per bale, while the yarn quoted here has been around 170 to 175 taels, a difference of about 25 taels. That is what the Japanese have been planning to do, if such margin could be maintained. The total amount of Japanese owned spindlage in Shanghai is about equal to that of the Chinese and besides their mills are still running at full capacity, while many Chinese have closed down or cut down the night shifts for the time being.

The high interest rate, the tightness of the money market and the fluctuation of foreign exchanges, particularly between Japan, America and India, are all factors. Besides unusual daily happenings, there are two great holidays; namely the Dragon Festival and the New Year, which generally cause a high interest rate. The Dragon Festival comes around near the harvest time. Business men are required to pay off their debt and farmers need money badly and will sell their cotton when the price offered seems satisfactory regardless of the actual conditions of the cotton market outside of their little world. The New Year holidays are still more critical. If the American cotton should decline during this period, or the demand should be slack, the price may be knocked down more excessively than in ordinary time. It also happened during the latter part of November this year, when the interest rate was quoted equivalent to about 25% annually, the demand for yarn was practically nil. In spite of the steady advancing of American cotton, the price of both cotton and yarn had declined from three to fifteen taels respectively. Sometimes the fluctuation of exchanges may upset the advancing of American cotton or Japanese yarn. Supposing the former may advance 100 points in a certain day, but the foreign exchange may drop from 70 to 71 taels, it means, in reality, no difference at all in term of purchasing.

Groundless rumors and sensational news often effect the sensitive pendulum in the cotton and yarn market. During the time of political muddles, the news or rumor of certain generals mobilizing troops from one place to another, or impending warfare between Chekiang and Kiangsu has reached the public, the price may decline sharply within a short time. When the war between Fengtien and Chihli was first declared last spring, yarn declined over ten taels per bale within a few hours time. After the death of General Hsu, the chief of constabulary of Woosung and Shanghai, the price declined sharply, as the public believed warfare to be imminent. Even the death of President Harding caused temporarily a decline of the yarn market on that afternoon. The public thought that business conditions in America would become bad temporarily and consequently the decline of American cotton would be imminent, which would naturally affect the price of native cotton and in turn on yarn. At the end of December last year, when the Paris Conference was going on favorably, and during the same time the price of American cotton was advancing steadily, the price of yarn advanced more than five taels per bale within a few hours time.

The decline or advance of the price of cotton is not always in ratio of three and half piculs of cotton to one bale of yarn. The native cotton is exported more or less depending upon the supply and demand of American cotton, while the manufactured yarn is entirely consumed within the country. Annually China produces from 6 to 9 million piculs of cotton and only about 65 % of the total is used for spinning purposes and the rest is either for export or

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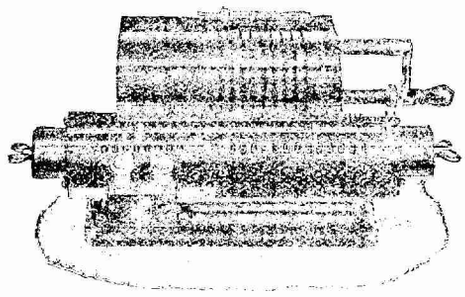

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other uses. There exists in the cotton market no such thing as "inside information." Prices move according to supply and demand, first upon the native cotton, second, Indian cotton, and third, American cotton. Sometimes the momentary demand may prove to be merely excited speculative buying and not a real demand from consumers; sometimes the selling may be merely due to sensational news of imminent civil war or high interest, etc. and not the actual pressure of cotton. Most Chinese speculators know very little about the cotton market in America and in India, and hence their success in speculation depends a great deal on luck, not much on foresight nor judgment. The yarn market has a different aspect. It depends upon the supply and demand and the cost of the raw material.

In spite of heavy losses of fortune and reputation, there is an unfailing stream of "opportunity-seekers" flocking into these exchanges. Time and energy wasted in exchanges are parasitic activity, yet persons who are shrewd, experienced, well-informed and with unusual ability for such operations, are in the long run to earn something in the nature of professional income. It has been proved that the Japanese and other foreign speculators in the cotton and yarn market have been fairly successful as winners. They can see the perspective view of the market and are quick to take advantage of the irresolute, and besides they have, as a rule, more running capital to hold on when the market is temporarily declined. Speculators are human beings, and speculation, the result of human endeavor, is blind and contains the possibility of evil. Every year large sums of money are lost in the cotton and yarn market by incompetent speculators, and these losses are an economic evil for the community. All these exchanges are located in the foreign settlement and are subjected to the foreign authorities. During the past years the Chinese government has tried to prohibit the sale of their shares under its own roof and to inquire into the financial and social standing of each broker, but all of the written orders have been ignored. It is up to the community and the exchanges themeselves to put strict regulations in regard to the admission of brokers, to require a high original cash margin for incompetent speculators when the market becomes dangerous, to post actual movement of cotton and yarn and actual transactions done daily in order that the abuses and evils may be minimised and the number of incompetent speculators may be reduced.

Shanghai, February, 1924.

5,000,000 Motor Cars in 1924

A new high record in motor car production, above 4,000,000 vehicles in 1923, brings the automotive industry face to face with what promises to be the most critical period of its history. From output schedules which have already been announced, a total of at least 4,500,000, and possibly even 5,000,000 cars, may be looked for during the current year. This is more than a third of all the cars already in service in the United States. Such a formidable marketing problem indicates that intensive competition, on an unprecedented scale, is inevitable.

As had been anticipated, centralization within the automotive industry made great strides in 1923. The full expectation of failures among the "weak sisters" was realized. Others, to avert this result, combined to form larger and more powerful organizations. This process is bound to continue, as only in this way can efficient competition meet the efforts of 5 out of 112 companies in business which now produce 83.3 per cent of the entire American production. Ford, General Motors, Willys-Overland, Dodge and Studebaker are credited with 3,335,000 of the 4,000,000 cars turned out last year.

In the face of the intensive competition indicated, the prospect is for continued low prices of automobiles. With production costs holding up, the margin of profit for the smaller companies is threatened. The larger companies "get by" on small unit gains built up on huge mass production.

The prospect in the automotive industry is that the centralization process, which began in 1923, will become more pronounced until only a relatively few large and powerful companies remain.

The automotive industry is now giving serious attention to "putting its house in order" and eliminating "lost motion." Direct marketing is being studied to cut out the middleman's commission. Modern purchasing methods are being introduced. Advertising methods are undergoing improvement. Manufacturing efficiency is being raised.

The one problem which is not in the way of being solved is the used car "trade-in" evil. The majority of new cars sold require the acceptance of an old car as part payment. To dispose of these trade-ins without heavy losses involves exceptional difficulties. From the *Financial Review.*

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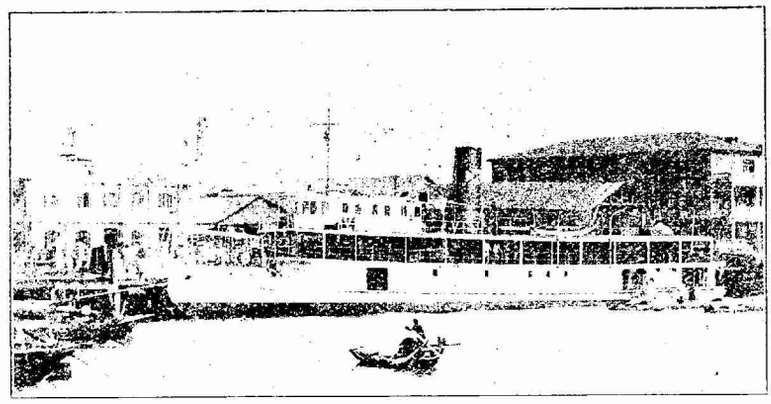

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Men and Events

The new North China Daily News building at 17 The Bund, Shanghai, was formally opened just before noon on February 15 by Sir Ronald Macleay, British minister to Peking.

Owen Roberts, former president of the China Society of America accompanied by Mrs. Roberts expects to arrive in Shanghai about April 20, for a stay of several months in China and the Far East.

Henry C. Emery, formerly manager of the Asia Banking Corporation in Peking, died of double pneumonia on board ship between Shanghai and Kobe and was buried at sea, according to a telegram published February 7. Mr. and Mrs. Emery were long residents of Peking and were leaving the Orient to take up residence in New York.

W. S. Leonard, formerly representative in China for the U. S. Rubber Company but who returned home some time ago for the purpose of making new connections for the China field, became seriously ill early in January and is now confined to the Massachusetts General Hospital at Boston where he underwent an operation for peritonitis.

Lieutenant Lawton of the U. S. Army Air Service is expected in Shanghai soon to make arrangements for the reception of the American Army aviators who are expecting to start on March 15 from Seattle on the round-the-world flight which is being promoted by the U. S. Army. Lieut. Lawton will make arrangements in Shanghai for supplies and landing places.

An elaborate program has been prepared for the unveiling of Shanghai's War Memorial at noon on February 16. The chairman of the Memorial committee, Sir Edward Pearce, will invite the senior Allied consul in Shanghai to unveil the statue and will then hand it over to the chairmen of the International and French settlements. Addresses will be delivered by the latter.

Dr. H. Gordon Thompson, who accompanied the late General Pereira on his last journey and was with him at the time of his death, addressed the North China branch of the Royal Asiatic Society, Shanghai, on February 12. The meeting was open to the public, and many gathered to hear the sensational experiences of Dr. Thompson during his captivity by Mongol bandits.

The Tsing Hua Alumni Yearbook for 1923-24 reflects great credit on the Yearbook Board who published it and the alumni body in general. It is a publication of 200 pages, artistically bound, copiously illustrated, and containing contributed articles and data of value and interest. A notable addition to the 1923-24 Yearbook is the Alumnae Section. Clarence K. Young was editor-in-chief of the annual and Elmer C. Ling, business manager.

Washington's Birthday, February 22, will be celebrated in Shanghai at the Ritz, the magnificent dancehall just outside the International Settlement, which was closed on its opening night about three years ago and has remained closed ever since. A huge sum of money was spent on the building's construction and furnishing, and, touched up and decorated, it is expected to lend the finest setting yet afforded Shanghai Americans to celebrate a Washington's Birthday.

Colonel Knowlton Mixer, manager of the American Red Cross in Manila, arrived in Shanghai last week, enroute to America on furlough. Colonel Mixer plans to remain in Shanghai for a short period afterwards proceeding to Peking. He is accompanied by Mrs. Mixer and they will continue their journey by way of Siberia. While in Shanghai they are staying at No. 12 Rue du Consulat. Succeeding Col. Mixer in the Philippines, is Charles H. Forster, of Washington, D.C.

Dr. James Abbott has resigned as commercial attache to the American Embassy in Tokio, but will return to Japan, sailing from San Francisco, March 4, on the *President Lincoln*. He will represent the Silk Association of America and other commercial organizations. Dr. Abbott became commerical attache in Tokio January 11, 1919, after previous experience in Japan as an instructor in the Shigaken Commercial School at Omi and at the Imperial Japanese Naval Academy. From 1904 to 1917 he was professor of zoology at Washington University, St. Louis. In 1921, Dr. Abbott was a member of the technical staff on the American delegation at the Washington Conference. He was a captain in the military intelligence department at Washington during the American participation in the World War.

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News from North China

Kyrle Edward Bessel, chief traffic inspector of the Peking Mukden Railway stationed at Fengtai, a British subject, was brutally assaulted by a Chinese soldier at Fengtai when the latter demanded on behalf of his superior that a special car be attached to the express train. The case has been brought to the notice of the President who ordered that an investigation be made and the guilty punished.

A new Chinese store under the title of 5, 1, 5, after the style of the American "Ten Cent Store", was recently opened in Peking at Morrison Street. A number of young saleswomen are employed in the shop which feature gives it a special attraction.

A concern under the name of "The China Art Emporium" has just been established in Peking in Regine's Building at the West End of the Legation Street, facing Chienmen. A large collection of things of rare artistic and historic value are on view.

Dr. C. T. Wang, Chief of the Board of Governors of the Tsingtao-Tsinan Railway, has sent a petition to the President asking for an extension of the period in which the shareholders be allowed to subscribe to the capital of the private company to be formed to take over the management of the railway.

A mandate was issued last week appointing General Chang Ching-hui, who is considered one the most powerful commanders of the Mukden troops, to be the Director of National Highways. This is considered as a step towards the reconciliation of the Chihli and Fengtien parties.

The government has established a Preparatory Constitutional Bureau under the control of the Premier. The members will be appointed by the Premier and will include a representative from each ministry. The purpose of establishing the bureau is to expedite the drafting and submitting to the Parliament of bills providing for the technical regulations of the various government departments concerned.

The American Chamber of Commerce of Peking has newly elected its officers for the year 1924. The newly elected are: Mr. H. C. Faxon, president; Mr. T. W. Stedman, vice-president; Mr. C. R. Bennett, treasurer; and Mr. C. Holden, secretary. The executive committee is composed of Messrs. H. F. Payne, S. F. Howard and D. L. Ballantyne.

The American Chamber of Commerce of Peking has endorsed the proposal of the union of American chambers in China that Mr. Herbert Hoover, American Secretary of Commerce, be invited to visit China in the near future.

During the Chinese New Year, the government institutions in Peking have had a various number of holidays. The holidays are being spent in remarkable quietude. There were not so many fire crackers to be heard this year as compared with the preceding ones. This is believed to be due to the financial stringency of the government which affects the pockets of Peking officials and residents.

Mr. Wang Ke-ming, the Minister of Finance, who since the end of the last lunar year went to take a rest in the Western Hills, has again intimated his intention to resign. The President sent Mr. Wang Yu-chi, his Chief Secretary, on Friday to the Western Hills to persuade him to return to the Ministry of Finance.

During the New Year holidays, rumors were repeatedly circulated in Peking to the effect that war had broken out between Kiangsu and Chekiang. Inquiries from government quarters have confirmed the opinion that these reports were mere fabrications.

Mr. Ferdinand Mayer, Secretary of the American Legation, arrived in Peking on Thursday afternoon accompanied by his mother, who will make her home with him in the Legation.

The committee of the Anglo-American Association met on January 22 and the following officers were elected: British: Sir Francis Aglen, chairman; Messrs. H. H. Fox, G. W. Frodsham, D. A. Johnston, S. F. Mayers, G. C. Pearson, members of committee; American: Major Hayes Kroner, Hon. Secretary and treasurer; Dr. R. Coltman, Mr. Julean Arnold, Mr. R. E. McFalls, Dr. T. W. Sloan, Dr. N. S. Hopkins, members on the committee.

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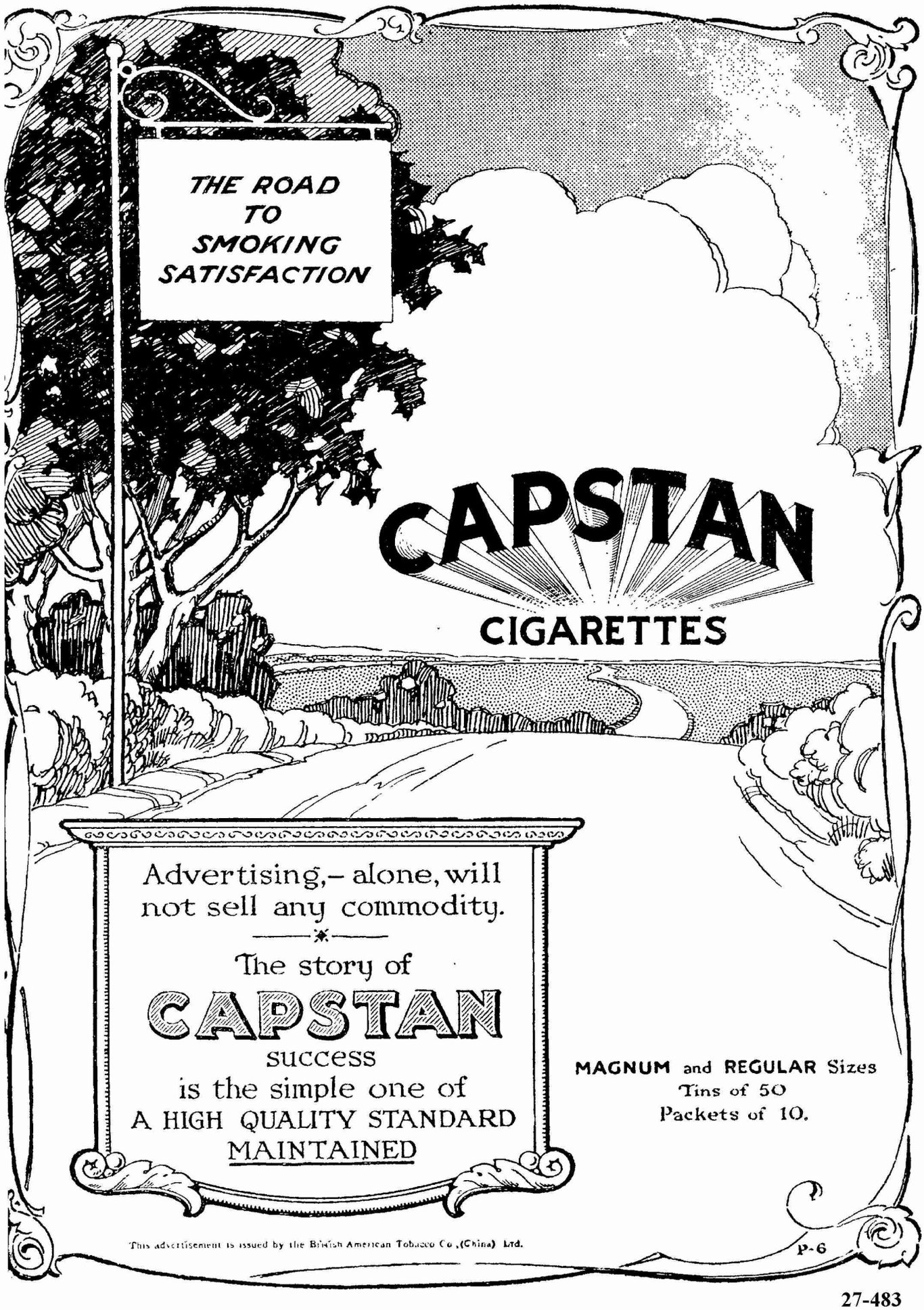
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News from Central China

V. Meyer, president and general manager of Andersen, Meyer & Co., of Shanghai, will shortly be in Hankow on a visit of inspection.

Marshal Hsiao-Yao-nan, Inspector-General of Hunan and Hupeh, has asked for the government's permission to draw $150,000, of the revenues of the southern section of the Peking-Hankow Railway to cover expenses connected with the establishment of his office as Inspector-General.

Chow Tse-chun is on his way to Szechuan to assist in securing the release of the two officers of the *Yiyang Maru*. He is representing the Peking government.

The opening of the training season for the Spring, Meeting of the Hankow Race Club will be on Monday, February 11. The Spring Meeting will take place on Monday, Tuesday and Wednesday, April 21, 22 and 23, with the Off Day on Saturday, April 26.

Admiral Wen Shou-teh, commander of the squadron at Tsingtao has gone to Loyang to interview Marshal Wu Pei-fu, with the object of arranging for regular payment of the expenses of the ships and men under his command.

Mr. Sheldon Ridge, editor of the *Far Eastern Times* of Peking, is at present visiting Hankow. Mr. Ridge will leave the port again on Sunday next.

The American Consul-General and the American community in Hankow held a religious service in memory of ex-President Woodrow Wilson, on February 6 at 3 o'clock in the afternoon in St. Paul's Cathedral. The Right Reverend Logan H. Roots, Bishop of the American Church Mission at Hankow, presided over the exercises which consisted of prayer, reading of appropriate passages of Scripture, singing of hymns, and an address.

Rev. Liu Fan-hou, of the American Church Mission, celebrated his sixtieth birthday last Thursday in the premises formerly occupied by Bishop L. H. Roots. He received during the day hearty congratulations from many friends, Chinese and foreign.

Mr. and Mrs. A. M. Guttery, of the Hankow Y. M. C. A., have just returned to the port from an extended trip to America, arriving in town Friday afternoon. They were welcomed back when the boat arrived by many of their friends including Y. M. C. A. secretaries of Hankow and Wuchang.

During the last few years the appointments and dismissals of local officials have been completely in the hands of provincial authorities. Recently the Central government appointed Wang Yu-fang, transportation officer of Hupeh without first obtaining the approval of General Hsiao Yao-nan. The appointment was at once vetoed. In order to preserve face, the Central government has now appointed the original transportation officer, Chao Ping-chen, to the post of Director of the Wine and Tobacco Bureau. Consequently a telegram has now been received from Hupeh approving the arrangememt.

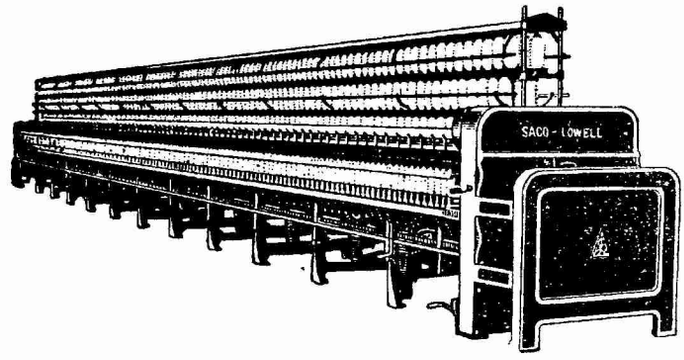
A telegram which reached Hankow on Sunday afternoon brought the sad news of the death of Wayne C. Jordan in Sianfu. He had been ill about two weeks with typhus fever, and died on Saturday, February 2. Mr. Jordan was a native of Maine, and a graduate of Bowdoin College in that State. He was a Rhodes scholar at Queen's College, Oxford, and graduated from the University in 1910. He and Mrs. Jordan came to China in 1913 for Y. M. C. A. work.

Prompted by vehement opposition as expressed by the authorities as well as people of Hupeh province against the British demand for the opening of several ports of the province to foreign trade, the Waichiaopu has started negotiations with the British Minister with a view to settling the question in an amicable manner, according to the *Nippon Dempo*.

As the funeral of the late ex-President Woodrow Wilson was held on Wednesday the flags of the local consulates as well as the Chinese government offices in Wuchang and Hankow, were half-masted for the day. The flag of the American Consulate-General will, by direction of the President of the United States, be at half-mast for thirty days in memory of ex-President Wilson.

The American Woman's Club of Hankow has completed the organization of the woman's exchange and will open a shop at the British Concession on February 11th. The exchange will function as selling agents for the handiwork of several Missions in this vicinity and afford an opportunity for the residents of Hankow to secure the best of this kind of work at reasonable prices.

The Chinese New Year has passed rather uneventfully. There was no stringency in the money market, no bankruptcy of shops or native banks, as has been almost always the case in previous years. The chief reason lies in the fact that



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about two months ago there was a great increase in the price of cotton with the consequent inability of cotton dealers in fulfilling their contracts with foreign firms, so that since then all the merchants have been busy in preparation for the customary winding up of accounts in the lunar New Year time and therefore they have been able to pass it quietly.

Marshal Hsiao Yao-nan is reported to have telegraphed his approval of President Tsao's scheme for the utilization of disbanded soldier labor in factories to be established in Hankow and Wuchang. The plan of the President provided for the bearing of the financial burden equally by the Ministry of Finance and local financiers.

The usual China New Year Evangelistic campaign undertaken by the United Missions in this district opened Thursday and is being prosecuted with much earnestness in the various churches and chapels by both Chinese and foreign speakers.

General Pan Shao-tseng, whose bandit suppression efforts in Hupeh resulted in the death of Father A. Melotto, has been discharged from his Brigadier-Generalship, and has been given the semi-sinecure job of Social Representative of the High Inspector of Hupeh and Hunan.

Reliable report has been received in Hankow stating that the Kuomingtang troops under Tan Yen-kai are busy planning a spring expedition into Hunan. General Tan who was driven out of Hunan last year is reported have received assistance from Dr. Sun Yat-sen.

Owing to the influx of light weight coppers from Hunan and 50 cash denomination coppers in Hupeh, the market of copper coins has declined considerably. The Wuchang Mint, in view of the depreciation, has decided to decrease the daily output of coppers.

The Hupeh Government Bank has netted an annual profit of $400,000 up to the China New Year. The staff have been given a bonus equal to five times their monthly salaries. The bank is responsible for the cash notes which constitute an important paper currency in central provinces.

The Wuchang Trading Port Bureau is alleged to be attempting a foreign loan of $50,000,000, for the construction of the proposed commercial port of Wuchang. The scheme however, is said to have incurred the opposition of certain assemblymen in Wuchang who failed to obtain squeeze.

Hankow, February 9, 1924.

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News from South China

To enable the general headquarters of Dr. Sun Yat-sen to pass the Chinese New Year, the general chamber of commerce of Canton, the nine charitable associations, and the committee on reconstruction have jointly endorsed the emergency treasury notes of the Canton military regime to the amount of $500,000. These notes were issued but a couple of days before the New Year eve to meet the pressing demands of the employees of the government. They will be acceptable for the payment of public dues to the proportion of 30 per cent notes and 70 per cent cash.

Canton officials are hopeful that the Peking government will allot the part of the 1923 customs surplus properly belonging to Kwangtung, running between Hk. Tls. 600,000 and 700,000, for river conservancy purposes. Up to the present, Dr. Sun Yat-sen has not taken any action in replacing the Peking customs staff in Canton with one of his own. The foreign powers interested in the Canton customs administration because of charges on its proceeds are still maintaining a flotilla in Canton Harbor, however, theAmerican Navy being represented by the U. S. S. *Asheville*, the U. S. S. *Pampanga*, and a destroyer.

Among the new items of Dr. Sun Yat-sen's war taxes enforceable beginning February 1 is a special duty on the import of ammonia sulphate, Indian rubber, and wood alcohol. The 19 factories in Canton manufacturing rubber soles are protesting against the new duty and have declared that they would stop operation. In preparation for possible opposition, the syndicate farming out the ammonia sulphate duty for collection has organized five concerns for the sale of ammonia sulphate fertilizer. So far the shops handling the sale of wood alcohol have made no move against the new duty.

Eng Hok Fong, a well-known Hongkong Chinese merchant, has been granted the monopoly by Dr. Sun Yat-sen of collecting protection money from the boat population. One-half of the money collected from the sampanmen will go to Dr. Sun's government, while the other half will be spent for the social welfare of the boat people.

The Canton Volunteer Corps, an armed organization of civilians for local protection, was greatly surprised lately when the Yunnanese mercenary troops stationed in Canton ordered its members to register their arms and pay a registration fee of five dollars for every rifle or other pistol possessed. The volunteers have decided to disregard the order, claiming that their organization is a public one and exempt from taxation. In the more enlightened ports the volunteers are supported by the government, they claim, the local authorities never thinking of imposing a tax on them.

The Canton-Kowloon Railroad and the Canton-Hongkong Telegraph Service are still cut on account of rival armies along the lines, the Sun Yat-sen faction controlling the western, while the Chen Chiung-ming faction controls the eastern section. To relieve the traffic between these two ports, there has been added but recently the S. S. *Hang Cheong*, a Chinese owned steamer. There will be two more steamers added to the Canton-Hongkong run this spring.

In spite of the unsettled conditions in Canton during the latter part of 1923, building construction made good progress. At the present some $6,000,000 worth of work is in progress.

The Canton branch of the International Banking Corporation, an American concern, will soon move into its new building at Shameen. The structure was completed just before the Chinese New Year.

Chan Lim Pak, a well-known Cantonese merchant and Chinese agent of the Hongkong & Shanghai Banking Corporation in Canton, and his brothers have just added an import and export department to their many activities. Mr. Chan is a farmer and his brother, Chan Lim Chung, is the present president of the general chamber of commerce of Canton. Their interests include banking, shipping, mining, and insurance. Their import and export office is located at 4 Yang Yan Chung York, Canton

The city of Tai-leung, Shuntak, Kwangtung, will be rebuilt into a modern city with wide roads. Following Kohyue and other Cantonese cities. Tai-leung will tear down its ancient city walls. Tai-leung is about four hours' ride from Canton City by towboat and is a silk trade centre.

The Canton Young Women's Christian Association, the first organization of its kind in China to own its land and buildings through its own effort largely, has opened a boarding department for the benefit of its members and friends. The association now has as its general secretary Miss Law Yau Tsit, A. M., a graduate of Columbia University in New York, and for several years an instructor in True Light Middle School, Pask Hok Tung, Canton.

For the first time in Canton, the city telephone exchange is employing more girls than men as its operators. Until last November girls were only employed in a branch station as

reserves and on probation, but since the strike of the men operators in the central station last December girls have been taken into the main office to replace the men. So far the girls are giving satisfactory service.

The Association of Nurses in China met in national convention in Kung-Yee Medical College, Canton, from January 31 to February 6, with some 80 foreign and 50 Chinese nurses in attendance. The nurses spent their mornings in discussions and demonstrations and gave their afternoons to inspection of local institutions and sightseeing.

A flower show will be held in the first public garden in Canton from February 11 to 15 under the auspices of the commissioner of public works of the Canton Municipality with the aid of a committee of interested citizens.

There has been a lull in the fighting on the eastern front, both the Sun Yat-sen and the Chen Chiung-ming forces taking time off to celebrate the Chinese New Year.

Canton, February 6, 1924.

The Week in the Far East

(Covering the period from February 6 to February 13)

Following the settlement of the difficulties accompanying the Chinese New Year holidays, Peking again assumes an air of carrying on with her political complications in her own Cabinet, her various provinces, and with her neighbors, Russia and Japan. Perhaps the outstanding news of interest to the reading public of the world, and particularly to the Far East, was the announcement during the week that Great Britain had recognized the Soviet Republic. Sharing with this announcement of almost equal importance in attracting attention and arousing interest is the proposed large Japanese government loan which is being floated in London and New York and is looked upon as a remunerative investment. Japan is concentrating her attention on the coming election scheduled for May 10, according to Tokyo reports.

Britain's Recognition of Russia

During the first of February the announcement came via *Reuters* that Russia had been recognized by Great Britain and this news carried interest of no little importance as far as the world was concerned. The recognition was followed by notes exchanged between the two countries requesting early conference for the examination of all outstanding questions, such as Russian debts, Anglo-Russian relations in the East, specially in India and Afghanistan, also trade schemes and Anglo-Russian treaties. The British government invited the Russian government to send at the earliest possible date, representatives armed with full powers to discuss matters like existing treaties, settlement of mutual claims, restoration of Russia's credit and the propaganda question. An informative comment made on this step by Britain was contained in a recent issue of a Peking paper:

"The results of the British recognition will be immense. England has dared—that is enough. A dozen countries are said to be about to follow the British lead. Italy is to recognize almost at once, and immediately behind will come Sweden, Norway, Denmark, Holland, Spain, Czecho-Slovakia and Yugo-Slavia, It is a tremendous triumph for Soviet Russia and a proof that the organization of Russian territories into a Union of Republics is looked upon as permanent by a host of nations. The Economic policy and property questions within Russia herself are about to be accepted as purely Russian affairs. It is a mighty crown indeed that is being put upon the tomb of the dead Lenin, one of the strangest and most remarkable chapters in human history. All those who have been consistently giving China the wrong advice may now well bow their heads in shame; for what is to become of the question of Russo-Chinese relations if this country which had everything to win and nothing to lose by promptly recognizing stubbornly facts is left beaten in the race and publicly proclaimed unable to look after her own best interests?"

A Japanese Government Loan

Preliminary arrangements have been made to issue in the near future in London and New York under the auspices of influential banking houses a large Japanese government loan to provide for the redemption of the £35,000,000 4½ percent Bonds maturing in 1925, and to furnish a considerable balance of new money for earthquake reconstruction purposes, says a *Reuters* report from London. The press points out that Japanese stocks at present stand at a price yielding about 6 per cent and a loan issued on a basis of about 6½ per cent will naturally be attractive to investors, according to the report.

Is There to Be Early Warfare in Chekiang-Kiangsu Provinces?

The loan of $200,000 by General Lu Yung-hsiang of Chekiang province to General Tan Yen-kai is believed to presage an early attack on Nanking, is the opinion current in government circles in China. From report in circles intimately associated with local politics, this loan is said to be a preliminary step in displacing Tsao Kun from his presidency and in securing the position for Marshal Tuan Chi-jui, and the method of carrying this through, details of which are given, are of considerable interest, says a report in the *N. C. D. N.* (Shanghai.) The report continues:

"As belonging to the old Anfu Party Marshal Tuan Chi-jui, now a resident of Tientsin, and General Lu Yung-hsiang of Hangchow are still affiliated and in opposition to Tsao Kun. The Nanking Tuchun, Marshal Chi Hsieh-yuan, is one of Tsao Kun's men, and, so long as he is in power in Nanking, acts as a buffer for the President to any enterprise which may be conceived by General Lu of Hangchow. The object of the latest move is to place the Nanking Tuchun in such a position of danger that Tsao Kun's party will be compelled to move to his assistance and it is hoped that this will form a convenient opportunity for Marshal Tuan to assume the Presidency."

Attack on Nanking Tuchun

"The present weakness of Chi Hsieh-yuan's position lies in the extended territory of which he is now in control. Formerly he could confine his attention to the province of Kiangsu, but to-day he is Governor General not only of Kiangsu but of Anhui and Kiangsi as well. The scheme set on foot is to attack him through the Kiangsi or Anhui frontier first, thus compelling him to move his troops thither, and when in this position a second attack from Hangchow would eventuate and the Nanking general would of necessity find himself in a perilous state. The President's divisions would consequently be called to his aid, and once troop-movements in the north had started other events would occur. It is hoped that Chang Tso-lin would intervene to assist in ousting Tsao Kun once the latter had dispersed his strength from the vicinity of the Capital and then that Marshal Tuan might ascend the Presidential throne. This scheme does not take into consideration Chang Tso-lin's personal ambitions, but the promoters of the idea seem to think that they will remain in abeyance for another year by which time they will be altered."

Cabinet Holds First Meeting Following New Year

Premier Sun Pao-chi called together the first meeting of the Cabinet following the Chinese Lunar holidays, when all Ministers were reported to be in attendance. It is understood that during the meeting the Cabinet discussed the recent note from the Diplomatic Body regarding the Chinese Trade Mark Law, with no conclusion arrived at. Several Ministers offered their resignations which were accepted, and other appointments made.

The Present Status Quo of the Bandit Situation

Welcome news was received during the week past concerning the safe arrival of Dr. Thompson in Peking after a long and severe trip from Thibet through Yunnan, following the death of General Peirera, who succumbed in Thibet several months ago. Dr. Thompson was released and recaptured several times when enroute. He recently gave a detailed account of his travels at a lecture delivered in Peking.

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The Belgian Father Van Praet, according to news from Peking is still in the hands of the bandits in Suiyuan. Another priest is negotiating for his release but communication with him is extremely difficult. The bandits holding him captive want to be recognized as a unit of the national army and until that is done they will not release their foreign prisoner. It is understood that he is suffering from a broken or injured knee, the cause of which is unknown.

An incident occurring at Fengtai, recently, is extremely repugnant to the Chinese government and the President immediately despatched a special Deputy to Fengtai following the outrage. Mr. Newmarch, engineer-in-chief of the Peking Mukden Railway, was brutally assaulted by the Chinese soldiers at the station. It is said that this sort of an outrage has occurred too often on this line, which is reputed to be in a deplorable condition. The British Legation put in a formal protest to the Waichiaopu regarding the incident.

It is learned that Mr. Strauss, a German gentleman captured by bandits in Hunan in October last year, was also released about the time of Mr. Schmalzried's release. The bandits first demanded $10,000 but later, for some unknown reason released him for $300 which was supposed to have been full payment for his food while a captive during the three months.

Japan's Coming Election

The Japanese Diet is now mostly concerned over the coming general elections, according to Tokyo's report. The *Nippon Dempo* had the following to say regarding same:

"The government will convene an Assembly of Prefectural Governors in Tokyo on the 12th inst., when Viscount Kiyoura, the Premier, will deliver an address of instruction. In the address, it is learnt, the Premier will require his hearers to observe strict impartiality as regards the forthcoming General Election and endeavor to complete arrangements in their prefectures to revive agricultural villages and establish connections with markets in cities.

Further, he will require them to take steps to guide the people in a right way, so that they will not swerve from the path of loyalty and filial piety and to realize economy in their prefectures, so that the people may respond to the call for money by the central government with the surplus thus accumulated. Lastly, His Excellency will require that his hearers will endeavor to explain to the prefectural people the government intention regarding the proposed revision of the Election Law, or the question of Universal Suffrage."

GENERAL NEWS SUMMARY

February 4. Indian Government orders Ghandi's release.——Messages of condolence for Wilson's death received from all over world. German newspapers bitterly denounce him. German embassy in Washington brings down censure for delay in half-masting flag.

February 5. Charles Levermore, secretary of New York peace society, announced as winner of Bok peace prize.——U. S. government will institute injunction to prevent further extraction of oil from naval oil lands at Tea Pot Dome and Elk Hill.

February 6. Ex-President Wilson buried without great ceremony but with highest honors.——Russian divisions led by Tsarist officers reported as planning attack on Moscow in April.——General Huerta, Mexican rebel leader, flees country.——Dutch said to be seriously considering recognition of Russia.

February 7. Italy recognizes Soviet government.——G. $275,000,000 loan for Japan to be floated in New York February 13.——Standard Oil accuses Harry Sinclair of bribing Persian officials to secure oil leases.

February 8. Prince of Wales breaks collar-bone in fall from horse.——Governor General Wood decorated by Japan for relief work after earthquake.——Philippine legislature passes bill requiring Spanish be taught in public schools.

February 9. Negotiations are proceeding between Russia and Holland for commercial treaty which means recognition. ——Philippine legislature closes session of little accomplishment.——Increasing disorder throughout Russia.——Indian Assembly officially informed self-government impossible at present.

February 11. Coolidge ignores Senate resolution demanding resignation of Secretary of Navy Denby because of Teapot Dome oil scandal.——House of Representatives turns down Mellon tax reduction plan.——House of Representatives begins hearing of Philippine Independence issue.

Fepruary 12. Grand Duke Cyril announces intention to attempt restoration of Romanoffs in Russia.

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For this reason we make a final appeal to the readers of the China *Weekly Review* for photographs and biographical sketches regarding any of their friends who have accomplished something of importance which causes them to stand out above the crowd and to deserve notice in "Who's Who in China." Such biographies should contain the date and place of birth, place and extent of education, positions held, political affiliations if any, societies of which he is a member, notable philanthropies, etc.

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Financial Notes

U. S. Business Outlook for 1924

Despite the currents of uncertainty that have radiated through some avenues of business in 1923, the year has been a satisfactory one, in the main. More people in this country have enjoyed good incomes and lived better than in average years.

Judged by the past, the condition of the money market ought to dispel any serious doubts about the immediate future. Barring wars or other overwhelming calamities, general and protracted depression has not preceded but almost invariably has followed tight money, when borrowings at the banks were at excessive totals and reserves were low. At such times it has been difficult for borrowers to obtain accommodation and then only at high rates. The problem of tight money does not have to be faced now.

There is much need of tax reform. If Congress will follow the Mellon plan, which has been endorsed by the President, or some other similar plan, it will be contributing to the well-being of the Nation.

There has been a great deal of talk about the railroads, and proposals for amendment of the Transportation Act are advocated in some quarters. We would do well to give the railroads a chance still further to demonstrate the wisdom of the laws under which they now operate. They are doing their part, and to tie them down with new statutes or drastic changes in existing laws might be disastrous to all the people.

The mistake is made of giving undue importance to the effect of political and economic disturbance in Europe upon trade here. If Europe were holding us back at this time in a manner that would measure up to her own troubles, we would not be breaking so many records, our people would not be so well employed and so abundantly supplied with the luxuries and necessities and our foreign trade would be greatly minimized. We should profit by the business that is at hand on this side of the Atlantic. There has been enough of it to keep everybody in this country busy and there are no signs of hard times now discernible. *George M. Reynolds, Chairman of the Board, Commercial National Bank, Chicago.*

There are excellent reasons to hope that 1924 will be a year of prosperity for American business. By prosperity I mean not a frantic multiplying of wealth as the dream of the speculator or the gambler, but a measured, though steady, growth of our economic structure, which is the ideal prayed for by the sound business man. I base my hopes for 1924, to a very great extent on Mr. Mellon's tax revision plan and on the President's decision to let American experts co-operate in the inquiry on Germany's financial situation. *Alvin W. Krech, Chairman of the Board, Equitable Trust Company of New York.*

In the five-year period since the Armistice, a vast number of dislocations in trade have been adjusted. Equally important, as affecting business prosperity, is the fact that wide fluctuations in many trade factors have become less and less violent. This approach to comparatively stable conditions began to be appreciated in the last half of 1923 and formed to a large degree the basis for optimistic predictions of a good and better-balanced twelve months during the current year. A further basis for encouragement is the cumulative proof that the United States and the rest of the commercial world, outside, the European nations prostrated by the war, can maintain a high degree of prosperity, pending the full recovery of the war-stricken areas. It is interesting to note that our foreign commerce, contrary to expectations, has measurably improved, and our exports have actually exceeded imports for the calendar year 1923 by approximately three hundred million dollars.

The past year was quite unsatisfactory in the number of major industries which suffered severely. The cotton goods makers have had and are still facing a most difficult situation. Some of the wheat areas were badly crippled. Leather was greatly depressed. Oil and copper had a trying year. Nevertheless, even including certain less fortunately placed industries, production as a whole last year was close to the record for this country. Iron and steel production exceeded all former peace-year figures, while pig iron output broke even war time records. Employment has been practically 100%. Building operations were 25% over the preceding year, and bonuses are again becoming a problem in the building trades. With greatly improved transportation service, the weekly car loading figures alone prove the enormous volume of goods in transit. Retail trade is holding up well. The determination to keep inventories low and the disinclination to speculate either in raw materials or finished goods are helping greatly to continue the present period of very active business. The comfortable position of the money market, the small fluctuations in commodity prices, and the high purchasing power of the country, based on full employment, are all indices of a good year's business. *First National Bank of Boston.*

The country hopes for some degree of relief from taxation at the hands of the Congress now sitting, and if it is obtained the effect will be to strengthen the business situation. The railroads even in the year of greatest traffic ever known have not been able to earn the percentage fixed by the Interstate Commission as a fair return upon the value of the properties as determined by the Commission, latest figures indicating that the result will be between 5 and 5¼ per cent. It is of the utmost importance for the maintenance of good service that the roads be let alone to carry out the plans for improvements which they have in view. The labor situation is more encouraging than it has been. The most serious wage dispute in prospect is that in the bituminous coal industry, which is the natural result of the settlemen, of the anthracite strike. Labor in this country, however shows, a growing sense of social responsibility, and in the past year has been vigorously rooting out the radical element from its councils. It has a growing appreciation of the fact that the real gains for the wage-earning class do not come from mere wage-advances which come back heavily upon the wage-earning class in the cost of living, but from improvements in production which increase the supply of comforts for distribution.

The greatest achievement of the year has been the demonstration that the United States can enjoy so large a degree of prosperity notwithstanding the unsettled conditions in Europe. The record of 1923 can be repeated if the American people but have the courage to proceed with the development of their resources and the equipment of their industries as they have done in the past year. There is no lack of work to be done. The chief occupation of the American people is that of supplying their own wants, but that their foreign trade is of a stable character the sustained exports of the last two years have shown. Our trade outside of Europe is growing. The balance between agriculture and the other industries is in the way of being restored, and if we will be satisfied with steady business, without a boom, there is good reason to expect that our hopes will be gratified in 1924. *New York National City Bank.*

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Outline for the Study of Current History, Finance and Commerce of China

by

H. F. MacNair, Ph. D.

Professor of History and Government, St. John's University

This outline, primarily for the use of middle schools and colleges, is based upon the Review for last week. It is not intended that the whole of the outline be used but that those topics be selected that are found to be adapted to the class.

1. International Affairs

Topic 1: Death of Woodrow Wilson

References: P. 380

Questions: 1. What positions of importance did Mr. Wilson hold? 2. Where was he born, and what can you say of his ancestry? 3. What profession did Mr. Wilson choose? 4. Under what conditions did he become President of the United States? 5. What distinguished men were his opponents in the Presidential race? 6. What was his attitude toward the European war in 1914? 7. Why did America enter the War? 8. How did Mr. Wilson distinguish himself as a war President? 9. For what will Mr. Wilson be most remembered in history? 10. Name some of his literary works.

Topic 2: Jurisdiction of U. S. Court in China in Liaotung Peninsula

References: Pp. 384-5

Questions: 1. Under the China Trade Act of 1922 what does the term 'China' include? 2. What is the question raised by the defendant in the case under consideration? 3. Who is Mr. N. E. Lurton, and what is his ruling in this case? 4. Does the leasing of territory by China to a foreign power change the status of sovereignty? Discuss carefully. 5 What is the significance of the ruling of Mr. Lurton in this case?

Topic 3: Anglo-Chinese Conference About Thibet

References; P. 400

Questions: 1. What is the difference between an "official" and a "semi-official" report in such a matter as this one? 2. What was the Lhassa Conference? 3. What is the attitude of China on the changing of the Thibetan borders? 4. What rights are claimed by China in Thibet? 5. Analyse point (5) of the report mentioned here.

Topic 4: Dissolution of Japanese Diet

References: P. 402

Questions: 1. What was the cause of the riot in the Japanese Diet on January 31? 2. Do you consider the wrecking of trains and the throwing of ink bottles to be in accordance with the principles of parliamentary law, or of Parliamentary government? 3. Who is Premier of Japan at present? 4. What is an Opposition party? Name those in Japan. 5. Why was the Diet dissolved, and when? 6. What are some of the chief political problems of Japan now? 7. When will the general elections presumably take place?

2. Domestic Affairs

Topic 1; A New Cycle of Cathay

References: Pp. 377-8

Questions: 1. What is a Cycle, and how long has this system of time measurement been in vogue in China? 2. Who was the Yellow Emperor? 3. What is an intercalary month? 4. Who are the "Yuan Chia"? 5. What has M. Edouard Chavannes to say concerning the origin of the Chinese Cycle? 6. What can you say of the happenings in China during the past Cycle? Was it one of average good fortune? 7. What is hoped from the present one? When did it open?

Topic 2: Educating China's Illiterate Millions

References: Pp. 381-3

Questions: 1, Who is the writer of this article, and why is he qualified to speak on this subject? 2. What is the "Literary Revolution"? 3. Why was such a movement felt to be necessary? By whom? 4. What can you say as to the origin of the movement here described? 5. What are "Foundation Characters"? How many are there? 6. In how many cities have educational campaigns started? Of what nature, and with what results? 7. What is the follow-up program? 8. Evaluate this movement.

Topic 3: Politics vs Education at Tsing Hua

References: Pp. 385-6

Questions: 1. Discuss carefully the thought expressed in the third sentence of Prof. Quigley's article. 2. What effect has politics upon the educational standard of Tsing Hua? 3. What is Academic Freedom, and why is it of especial importance in China? 4. What changes are advocated by Prof. Quigley? 5. What is the purpose of Professor Quigley in writing this article for the Tsing Hua Alumni Year Book? (Note: Professor Quigley, of the University of Wisconsin, was a visiting professor at Tsing Hua during the academic year of 1922-23.)

3. Commerce and Finance

Topic 1: Illegal Taxation and Tariff Duties in China

References: Pp. 378-80,402

Questions: 1. Of what great significance was the matter of collection of Customs duties in Canton in reference to Dr. Sun's claims? 2. What has Minister Schurman said regarding taxation in Chekiang? 3. In what way is the matter of taxation in Chekiang similar to that in Kwangtung? 4. Discuss the Resolution of the Associated American Chambers of Commerce dealing with the question of taxation. How far back does this question go? 5. What is an *ad valorem* tax? 6. How did the Washington Conference affect this question?

Topic 2: Finances in Peking

References: P. 400,402

Questions: 1. How much money was needed to tide the government over the New Year season last year? How much this year? 2. What were the sources of funds for use this year? 3. Who are the "Shanghai Parliamentarians"? 4. In what way are the Germans figuring in Chinese finance at present, according to reports?

Topic 3: Filipinos and the Income Tax

References: Pp. 402

Questions: 1. What is the population of the Philippine Islands numerically? Racially? 2. How many Chinese are in the islands? 3. What percentage of the trade do they control? 4. What is said as to Income Tax returns from the Islands?

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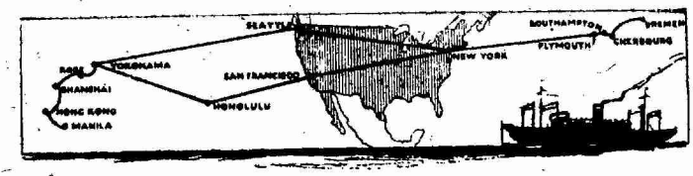

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New Books and Publications

China's Most Beautiful Woman

Yang Kuei-fei, By Mrs. Wu Lien-teh, Peking. Publishers: The Commercial Press, Ltd., Shanghai. Price, Mex. $3.00

China is an empire full of color and romance, despite the fact that we hear and read of nothing at the present time but political and social complications. Therefore, "Yang Kuei-fei," by Mrs. Wu Lien-teh, which is a story delightfully and frankly written depicting Chinese court life as it was lived during the eighth century when the Tang Dynasty was at the height of its prosperity is more than welcome. This tale deals principally with Yang Kuei-fei, who was the most celebrated of the four famous beauties of China, handed down from ancient times. The author is the wife of Dr. Wu Lien-teh, expert on the plague disease in the Orient, and is the first Chinese lady to attempt to translate from Chinese into Western language (a work which requires much concentration and accuracy), the result of some of her investigations and readings. One finds here what they have been looking for, history, fiction, romance, and human interest, all told in simple narrative style.

The story concerns that of Yang Kuei-fei, considered the most artful Chinese lady, who lived in the time of the Tang Dynasty (A. D 618-905) and for more than twenty years was the undisputed mistress of the imperial court. Her beauty was said to be unsurpassed (at least thought Emperior Ming Huang), her vivacity unrivalled, and her talents as a musician and dancer unexcelled. So much was required of a girl in those early days, as there was always the possible chance of being introduced into court, which not only meant personal power but riches and comfort for all the branches of the family. In order to be recognized, however, she must possess all these traits, in addition to her beauty. Therefore, it was as much joy for a girl to be born into the family with these opportunities in view, as a boy baby. Yang Kuei-fei held all these charms and was summoned to court by Ming Huang, then Emperor in the Tang Dynasty, who quickly became her slave, and unconsciouly allowed her to rule the land. It is interesting to note in the story how one woman could bring ruin, not only upon the Emperor himself, but also in the end to a whole empire, and held the happiness or sorrow of millions in the palm of her hand. The story gives a most interesting glimpse into Chinese court life.

"The material for the present volume is gathered from one of the standard Chinese works, supplemented by historical facts from many books as well as from valuable data obtained from the 'Biography of Li Po,' and from a poem by Po Chui-i entitled 'The Everlasting Wrong.' Although there is a voluminous literature on Chinese bibliography, yet comparatively few books deal with women, far less the notable women of ancient times."

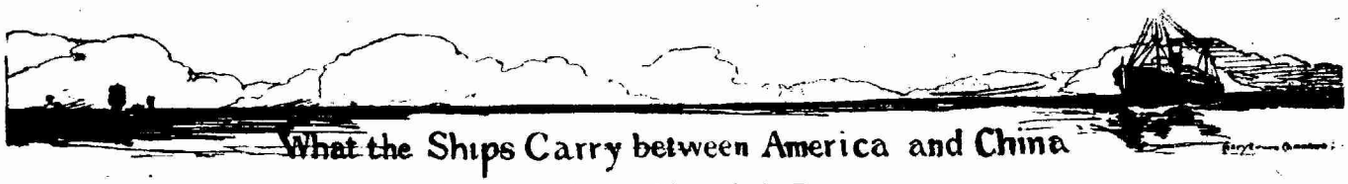
The book is excellently illustrated and is written in a most readable style and undoubtedly will prove interesting to those who chance to read a copy.

M. C. P.

New Shipping Board Policy

Decks were cleared last January 10 by the U.S. government for the inauguration of a new operating policy for the Merchant Marine. After conference with President Coolidge the Shipping Board made public the text of a resolution providing for the operation of the government vessels through the Emergency Fleet Corporation. Late in the day Leigh C. Palmer, president of the corporation, announced that he would accept the duties of that office as outlined by the board and start to work the following day.

The board's resolution was in the form of an amendment to the resolution of September, 1921, and vested in Mr. Palmer the powers of a limited agent for the actual operating functions of the government fleet. The board reserved the right to exercise all the powers of supervision and control vested in it by law, but declared it to be the policy of the board to delegate to the Fleet Corporation all authority essential to the efficient operation of all steamship lines under its jurisdiction. It was expressly reserved by the board that the president and trustees of the Fleet Corporation should deliver to the secretary of the board their resignations for acceptance at the pleasure of the board.



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S. S. City of Cambridge, January 9. From U. S. A.

Tubes	,,	1,259
Wire Shorts	,,	375
Tinned Plates Plain	,,	1,734
Graphite	,,	10
Steel Spring	,,	10
Beans	,,	6
Glucose	,,	603
Grease	,,	390
Leadfoil and Tinfoil	,,	2,440
Leather, Calf	,,	4
Mushrooms	,,	23
Packings, Unclassed	,,	4
Paper, Cardboard	,,	1,256
,, Coated	,,	1,516
,, Writing	,,	15
,, Unclassed	,,	1,226
Stearine	,,	168
Tobacco, Leaf	,,	3,738
Belts	Pcs.	366
Clocks	,,	50
Motor-cars	,,	11
Motor-trucks	,,	3
Typewriters	,,	40
Canned Meats	Doz.	98
Shirts	,,	24
Buttons	Gross	500
Cigars	Mille	10
Cigarettes	,,	75,000
Oil, Lubricating	Galls.	19,151
Varnish	,,	240
Machinery	Hk. Tls.	87,603

S. S. Hanover, January 23. To New York

Wool, Sheep's	Pls.	196

S. S. Narbo, January 9, from U. S. A.

Cotton Raw. Bls. 425	Pls.	1,510
Iron Galvanized:		
Wire Shorts	,,	421
Steel, Bamboo	,,	3,218
Bones, Cow	,,	300
Grease	,,	203
Resin	,,	261
Wax, Paraffin	,,	1,077
Oil, Lubricating	Galls.	137,386

S. S. Robert Dollar, January 9, from U. S. A.

Iron Bar Ends	Pls.	674
,, Nuts	,,	311
,, Plate Cuttings	,,	5,557
Iron Galvanized:		
Tubes	,,	401
Wire Shorts	,,	854
Tinned Plates, Plain	,,	2,580
Acid, Acetic	,,	32
Bones, Cow	,,	302
Carbon Black	,,	595
Indigo Paste, Artificial	,,	2,475
Paper, Writing	,,	453
Soda, Caustic	,,	1,496
Motor-cars	Pcs.	2
Scales	,,	3
Cigarettes	Mille	75,000
Oil, Lubricating	Galls.	140,279

S. S. Elkridge, January 11, from U. S. A.

Flour, Wheat	Pls.	35,766
Wheat	,,	7,501

S. S. President Madison, January, 19 To Seattle.

Meats, Game, Frozen	Pls.	100
Oil, Wood	,,	9,005
Walnuts, Kernels	,,	21
Umbrellas	Pcs	1,889
Carpets	Hk. Tls	2,541

To Portland.

Umbrellas	Pcs.	2,180
Carpets	Hk. Tls.	133

To Spokane

Umbrellas	Pcs.	925

To New Orleans.

Carpets	Hk. Tls.	287

To Philadelphia

Wool, Sheep's	Pls.	958

To Baltimore

Carpets	Hk. Tls.	1,693

To St. Paul

Skins, Weasel, with Tail	Pcs.	2,500

To Scranton

Silk, Raw, Steam Filature White, S'hai, Bls. 10	Pls.	10,07

To Cornell, N. Y.

Silk. Raw. Steam Filature: White, Shanghai, Bls. 10	Pls.	9,94

To Newton-upper Falls, Mass.

Silk, Refuse: Shanghai, Bls. 12	Pls.	40,87

To Reading, Pa.

Silk, Raw, Steam Filature: White, Shanghai, Bls. 25	Pls.	24,57

To South River.

Silk, Refuse: Shanghai, Bls. 34	Pls.	136,42

To South Manchester.

Silk Cocoons, Domestic, Pierced: Shanghai, Bls. 27	Pls.	79,80
Other Ports, Bls. 7	,,	21,33

To Buffalo

Intestings, Pigs', Salted	Pls.	105
,, Sheep's Salted	,,	45

To Chicago

Silk, Raw, Steam Filature: White, S'hai, Bls. 15	Pls.	14,97
Silk, raw, Filature: Wild, other Ports, Bls. 20	,,	20,27
Carpets	Hk. Tls.	6,517

To New York.

Silk, Raw, Re-reeled: White, other Ports, Bls. 45	Pls.	45,10
Silk, Raw, Steam Filature: White, Shanghai, Bls. 70	Pls.	70,08
,, other Ports, Bls. 10	,,	10,00
Yellow, S'hai., Bls. 30	,,	30,46
Silk, Raw Filature: Wild, other Ports, Bls. 70	,,	70,07
Silk Pongees, Honan	,,	7,11
,, ,, Shantung	,,	28,82
Bambooware	,,	17
Bristles	,,	161
Chinaware, Fine	,,	22
Cotton, Raw, Bls. 101	,,	370
Feathers	,,	110
Intestines, Pigs', Salted	,,	84
,, Sheep's Salted	,,	52
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,, ,, White	,,	56

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U. S. COMMISSIONER, Nelson E. Lurton.
CLERK, William A. Chapman.

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TIENTSIN:

SPECIAL DEPUTY MARSHAL, Harry V. Fuller

All Notices, Announcements, Judgments, Orders and other Proceedings appearing in this department of THE WEEKLY REVIEW may be accepted as authentic.

MOTION DAY.

All contested motions and demurrers will hereafter be heard on Mondays, beginning at 3 P. M.; provided notice thereof with proof of service on the adverse party or his attorney shall have been filed in the clerk's office by 12 Noon of the preceding Saturday.

ADMISSION TO THE BAR.

Hereafter, applicants for admission to the bar of this court, whether previously admitted elsewhere or not, will be examined on the following:

1. International Law, 33 Corpus Juris.
2. Extraterritoriality, 25 Corpus Juris, 299-331.
3. Extraterritorial Cases.
4. Extraterritorial Remedial Code.
5. U. S. Rev. Stats., secs. 4083—4131 (Act of Congress of June 22, 1860, 12 U. S. Stats. at Large, Ch. 179.)
6. China Court Regulations.
7. Act of Congress of June 30, 1906 (34 U. S. Stats. at Large, Ch. 3934).

BAR EXAMINING BOARD: W. W. Blume, Roland S. Haskell, Walter Chalaire

Shanghai, China, January 2, 1923.

Minutes of Recent Proceedings

Hearings

Feb. 4, 1924, Cause No. 2382, U. S. v. A. P. Pattison; on motion to release defendant on his own recognizance; submitted.
" 4, " " " 2042, In re Charles L. Coltman's will; on creditor's objection to report of executrix; continued.
" 4, " " " 2364, Paul W. Kelly v. Asiatic Motors, Inc.; on demurrer; submitted.
" 4, " " " 2383, In re Norah I. Hilton's estate; on petition for appointment of administrator; submitted.
" 4, " " " 1506, The Fur & Wool Trading Co. (D. Biedermann) Ltd. v. Andersen, Meyer & Co. Ltd.; testimony taken of H. Rapoport, M Kocharoff, S. G. Hochloff, P. N. Yushin, M. Raskin; continued.
" 5, " " " 1506, The Fur & Wool Trading Co. (D. Biedermann) Ltd. v. Andersen, Meyer & Co. Ltd.; testimony taken of S G Hochloff, H. Rapoport, submitted.

EMIL S. FISCHER, Plaintiff, vs. CHARLES STONE, Defendant
WOO YUNG CHONG, First Intervenor,
ALICE RUDE HANSEN, Second Intervenor.

(continued from last week)

"The marriage contract closed on May 14, 1912 * * *will become annulled on the date when the divorce becomes legally effective.*"

Until then, in other words, the marriage contract was in force and the evident purpose of this Notarial Act was to supersede the marriage settlement. The second intervenor's ratification of the latter seems, therefore, complete.

As to the consideration for this Notarial Act as well as for the mortgage, plaintiff testifies (II, 199) to the following conversation with his wife:

> "She gave me then the reply, 'So far as you are aware of your expenditures on account of me you will have to give back your property which is your dowry'.
> Q Is that what she said to you?
> A What she said in that sense. She said much more which I cannot distinctly remember but it is laid down in letters. So far as the property which was to be dowry mine the sum was distinctly mentioned to be $10,000.
> Q Then what did you understand from her to be the consideration for your receiving $10,000 or thereabouts in rents?
> A The consideration to give back the property."

This conversation is nowhere denied and tho the wife, in her letter (Ex. H.) to the Austrian Consul of Oct. 18, 1913 offers the property income for 5 years "as a compensation for expenses made by me as his wife." Evidently, then, the divorce was not the consideration with her and the one named by the husband —the release of his claim to the property—would be sufficient. The compromise of an existing claim—even a doubtful one—is always a sufficient consideration[8] and it will hardly be denied that plaintiff's claim was at least that.

In her testimony, indeed, the second intervenor reiterated that her motive in executing these documents was to secure plaintiff's consent to a divorce. But not only is this inconsistent with her letter of Oct. 18, 1913—written when the facts were fresher in mind—but if such had been her motive that would not have made it the consideration. For "motive is not the same as consideration" which "means something of value in the eye of the law."[9] Since, then, there was a lawful consideration these documents will not be declared void merely because it was in the mind of one or even both parties to effect another agreement which the American law would not recognize. The case[10] cited by second intervenor's counsel does not go that far. The court merely refused to enforce a contract whose consideration it found clearly unlawful.

It appears from the testimony of an Austrian lawyer of a dozen years' experience (II, 38, 39, 41)

8. Anson on Contracts (Huffcutt's ed.), 109.
9. Thomas v. Thomas, 2 Q. B. 851. Cf. Anson on Contracts, (Huffcutt's ed.), 105.
10. Hazelton v. Sheckels, 202 U. S. 71, 50 L. ed., 939.

Feb. 5, 1924, Cause No. 2282, China American Trading Co. v. Fearon Daniel Co.; on offer of deposition; submitted.

,, 9, ,, ,, ,, 2269, Cooke v. Cooke; testimony taken of plaintiff, R. G. Fairfield; submitted.

(Before the Commissioner)

Jan. 28, 1924, Crim No. 559, U. S. v. A. Hulse; testimony taken of Dr. J. B. Fearn, W. Jones, defendant; submitted.

,, 31, ,, Sp. Pro. ,, 24, In re coroner's inquest on the body of E. V. Bray; testimony taken of Dr. Swan, A. Popovich, C. Layers, Liu Sz Dzung, Lee Wong Dung; submitted to jury.

Feb. 9, ,, Crim. ,, 558, U. S. v. J. R. LeDoux; on application to dismiss; submitted.

Judgments and Orders:

Feb. 2, 1924, Cause No. 2175, L. G. Husar v. U. S. Shipping Board et al; order approving referee's permission for plaintiff to file amended complaint.

,, 4, ,, ,, ,, 1943, Chemische Fabrik Griesheim Elektron v. International Banking Corporation, et al.; judgment for plaintiff.

,, 4, ,, ,, ,, 2382, U. S. v. A. P. Pattison; order releasing defendant on his own rocognizance.

,, 4, ,, ,, ,, 2305, A. A. Tuomola et al. v. E. G. Hinde et al.; order overruling motion to dismiss.

,, 4, ,, ,, ,, 2343, Artindale v. Artindale; order for continuance.

,, 6, ,, ,, ,, 2376, In re adoption of Thelma B. Putsillo, a minor; decree.

,, 6, ,, ,, ,, 2383, In re Norah I. Hilton's estate; order appointing administrator.

,, 6, ,, ,, ,, 2379, U. S. v. John Campbell; sentence.

,, 7, ,, ,, ,, 2324, In re The American Manufacturing Co. of China, Inc.; order for receiver to collect unpaid subscriptions to stock.

,, 7, ,, ,, ,, 2311, Carl Fick v. American Commercial & Industrial Co. Ltd.; order sustaining motion for execution.

,, 8, ,, ,, ,, 2020, Russo-Asiatic Bank v. M. Wulfsohn & Co., judgment for plaintiff.

,, 8, ,, ,, ,, 1686, In re Stewart-Crane Co. Inc; order overruling motion for declaration of trust fund.

,, 8, ,, ,, ,, 1506, The Fur & Wool Trading Company (D. Biedermann) Ltd. v. Andersen, Meyer & Co. Ltd.; order overruling motion for new trirl.

,, 8, ,, ,, ,, 1856, Yu Fong S/S Co. v. Wm. Katz & Co.; judgment for plaintiff.

,, 8, ,, ,, ,, 2062, Mitchell v. Mitchell; order modifying decree.

,, 8, ,, ,, ,, 2061, Foreign Mission Board etc. v. Eisler, Reeves & Murphy. Inc.; judgment on stipulationr.

,, 8, ,, ,, ,, 2063, Nellie A. Pierce, executrix v. Eisler, Reeves & Murphy, Inc.; judgment on stipulation.

,, 8, ,, ,, ,, 2053, In re assignment of Cosmos Commercial Corporation; order approving auditor's report.

that under the Austrian law[11] divorce may be "granted on the request of both parties" i. e. by mutual consent. This is not permitted under American law; but we are not obliged to pass upon the validity of this Austrian divorce. For the purposes of this case we might even assume that the parties are still married. But it is undisputed that the Notarial Act of Feb. 18, 1914 was executed in strict accordance with Austrian law. The lawyer above referred to testified:

"The parties have to come to some agreement with reference to their property. This is stipulated in Article 117, Austrian Civil Code. * *

Q Is there any provision in the Austrian law which requires the settlement of community property between the parties before the divorce be entered into under the supervision of the court? In other words, where the parties before their divorce agree as to the proper division of the property as required by the law which you have just stated, is there a provision which provides that that agreement shall be approved by the court?

A Before the court starts the divorce he must be satisfied that the agreement has been reached. Documents will naturally be expected by the court. I do not think there

11. Citing Austrian Civil Code, Arts. 115, 1266.

(*Continued next week*)

Feb, 8, 1924, Cause No, 2282, China American Trading Co. v. Fearon Daniel Co.; judgment for plaintiff

,, 8, ,, ,, ,, 1861, Luk Hop Co. v. American Express Company; order on motion to modify decree.

,, 8, ,, ,, ,, 2362, Nordisk Fjerfabrik, Ltd. v. Brewster & Company; order allowing defendant three weeks to answer.

,, 8, ,, ,, ,, 2364, Paul W. Kelly v. Asiatic Motors, Inc.; order overruling demurrer.

,, 9, ,, ,, ,, 2269, Cooke v. Cooke; decree.

(By the Commissioner)

Jan. 28, 1924, Crim. No. 559, U. S. v. v. A. Hulse; defendant warned.

Feb. 9, ,, ,, ,, 558, U. S. v. J. R. LeDoux; defendant dismissed.

Miscellaneous Filings:

Feb. 4, 1924, Cause No. 2175, L. G. Husar v. U. S. Shipping Board et al.; affidavit.

,, 4, ,, ,, ,, 2382, U. S. v. A. P. Pattison; bond.

,, 4, ,, ,, ,, 1032, Belgian Trading Co. v. Neuss, Hesslein & Co.; defendant's exceptions.

,, 4, ,, ,, ,, 2368, Sun Cho Chi v. W. C. Dalbey; answer.

,, 4, ,, Corpn. ,, 156, Western Company, Ltd.; articles of incorporation.

,, 4, ,, Cause ,, 2383, In re Norah I. Hilton's estate; petition.

,, 6, ,, ,, ,, 2311, Carl Fick v. American Commercial & Industrial Co. Ltd; motion to tax costs; motion for execution.

,, 6, ,, ,, ,, 2383, In re Norah I. Hilton's estate; oath and bond of administrator; letters of administration.

,, 6, ,, ,, ,, 2379, U. S. v. John Campbell; final commitment.

,, 6, ,, ,, ,, 2367, Chinese American Bank of Commerce v. F. A. Bowen; defendant's reply.

,, 7, ,, ,, ,, 2324, In re The American Manufacturing Co. of China. Inc.; receiver's special report on status of stock subscriptions.

,, 7, ,, ,, ,, 2062, Mitchell v. Mitchell; motion to modify decree.

,, 7, ,, ,, ,, 2362, Nordisk Fjerabrik, Ltd. v. Brewster & Company; motion to vacate judgment.

,, 8, ,, ,, ,, 1506, The Fur & Wool Trading Company (D. Biedermann) Ltd. v. Andersen. Meyer & Co. Ltd.; plaintiff's memorandum brief on motion for new trial.

,, 8, ,, ,, ,, 2311, Carl Fick v. American Commercial & Industrial Co. Ltd.; affidavit.

,, 8, ,, ,, ,, 2061, Foreign Mission Board etc. v. Eisler, Reeves & Murphy, Inc.; discontinuance.

,, 8, ,, ,, ,, 2063, Nellie A. Pierce, executrix v. Eisler, Reeves & Murphy, Inc.; discontinuance.

,, 8, ,, ,, ,, 1256, In re R. F. Hazelton's estate; petition to close administration.

,, 9, ,, ,, ,, 2269, Cooke v. Cooke; entry of appearance; entry of appearance and waiver; property settlement.

,, 9, ,, ,, ,, 2020, Russo-Asitaic Bank v. M. Wulfsohn & Co.; defendant's brief.

,, 9, ,, ,, ,, 2311, Carl Fick v. American Commercial & Industrial Co. Ltd; writ of execution issued; motion; notice of motion.

,, 9, ,, ,, ,, 2338, G. C. Shaw v. Jno. E. Hughes Co. Inc.; motion for judgment by default.

,, 9, ,, ,, ,, 2317, U. S. v. L. D Kearny; bill of exceptions.

,, 11, ,, ,, ,, 2353, Rau v Rau; appearance of counsel for defendant.

,, 11, ,, ,, ,, 1870, Doong Yih & Co. v. Rossia Insurance Co. of America; stipulation.

,, 11, ,, ,, ,, 2226, In re The Kearny Co. Inc.; receiver's final report of distribution of assets.

,, 11, ,, ,, ,, 2302, E. Greenfield v. L. Slegman; praecipe for execution.

CHINESE GOVERNMENT RAILWAYS

Shanghai-Nanking Railway Abridged Time Table.

Shanghai North to Nanking—Up (Main Line) **Nanking to Shanghai North—Down.**

STATIONS	Local	Fast R.	Local	3rd & 4th Local	S.N.L. T.P.L. Express Mail	3rd & 4th	Local	S.N.L. T.P.L. Fast Express	Local	Fast Local	Local	Local	Night Express R. S.	STATIONS	Local	Fast Local	Local	Local	Fast R.	3rd & 4th Local	3rd & 4th	Fast R.	Local	Local	Express R.	Local	T.P.L. Mail	S.N.L. Night Express T.P.L. Express
Shanghai North d.		7.00	7.15	7.35	9.30	9.50	12.10	12.30	15.25	17.15	17.45	19.35	23.30	Peking ... ... d.											9.05			
Nansiang ... ... d.		7.28	7.45	8.03	—	10.31	12.41	12.58	16.01	17.47	18.15	20.05	0.02	Tientsin East ... a											13.00		14.35	9.35
Soochow ... ... d.		8.59		9.41	11.14	12.53		14.43	18.24	19.39		—	1.39	Do. d.											—		—	—
Wusih ... ... d.	7.00	9.59		10.44	12.02	14.12		15.38	19.34	20.36		—	2.38	Tientsin Central a.											13.20			10.06
Changchow ... d.	8.14	10.56		11.41	12.49	15.28		16.38		21.38		—	3.42	Do. d.											21.57			19.50
Tanyang ... ... d.	9.30	11.52			13.38	16.28		17.38				—	—	Tsinanfu ... ... d.											6.51			6.00
Chinkiang ... d.	10.31	12.49			14.22	17.34		18.33				—	5.34	Hsuchowfu ... d.											14.58		18.49	16.02
Nanking ... ... a.	12.30	14.21			15.43	19.35		20.02				—	7.20	Pukow ... ... a.											15.50	16.15		23.00
Pukow ... ... d.												8.50	10.00	Nanking ... ... d.					7.40		8.10	11.05			17.29	18.27		0.52
Hsuchowfu ... d.												17.08	19.48	Chinkiang ... d					9 20		10.25	12.54			18.03	19.26		—
Tsinanfu ... ... d.												2.04	5.58	Tanyang ... ... d.					9.57		11.21	13.36			18.57	20.46		2.41
Tientsin Central a.												—	—	Changchow ... d.			7.10		10.59	12.00	12.44	14.32			19.43	21.52		3.53
Do. d.												10.15	15.32	Wusih ... ... d.		7.20	8.22		11.59	13.02	14.07	15.33			20.32			4.58
Tientsin East... a.												—	15.42	Soochow ... ... d.		8.21	9.39		12.54	14.02	15.25	16.31						6.26
Do. d.												10.25		Nansiang ... ... d.	8.15	10.33	11.34	13.00	14.33	16.03	17.45	18.18	18.40	20.35	—			6.50
Peking ... ... a.												14.25		Shanghai North a.	8.42	11.00	12.05	13.30	15.00	16.30	18.20	18.45	19.13	21.05	22.00			

T.P.L. Express / T.P.L. Mail

Woosung Forts to Shanghai North—Up (Branch Line) **Shanghai North to Woosung Forts—Down**

Woosung Forts d.	6.45	8.13	9.40	11.05	12.30	13.55	15.20	16.45	18.10	19.35	21.00	22.25	23.50	1.15	Shanghai North d.	6.00	7.30	9.00	10.25	11.50	13.15	14.40	16.05	17.30	18.55	20.20	21.45	23.10	0.35
Kiangwan ... d.	7.10	8.40	10.05	11.31	12.55	14.20	15.46	17.10	18.35	20.00	21.25	22.50	0.15	1.40	Tientungan ... d.	6.05	7.35	9.05	10.30	11.55	13.20	14.45	16.10	17.35	19.00	20.25	21.50	23.15	0.40
Tientungan ... d.	7.16	8.46	10.11	11.37	13.01	14.26	15.52	17.16	18.41	20.06	21.31	22.56	0.21	1.46	Kiangwan ... d.	6.12	7.42	9.12	10.37	12.02	13.27	14.52	16.17	17.42	19.07	20.32	21.57	23.22	0 47
Shanghai North a.	7.20	8.50	10.15	11.41	13.05	14.30	15.56	17.20	18.45	20,10	21.35	23.00	0.25	1.50	Woosung Forts a.	6.35	8.06	9.35	11.00	12.25	13.50	15.15	16.40	18.05	19.30	20.55	22.20	23.45	1.10

R. Restaurant Cars, * These additional trains run each Saturday and Sunday S. Sleeping Cars

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Down Shanghai North-Zahkou (Main Line) Zahkou-Shanghai North **Up**

STATIONS	Fast Local	Express R.	2nd 3rd & 4th	Fast R.	Fast Local	Local	Local	Night Express R.	STATIONS	Local	Fast Local	Express R.	Local	2nd 3rd & 4th	Fast R.	Fast Local	Night Express R.
Shanghai North.....dep.	..	8.00	9.00	13.20	15.35	..	..	19.15	Zahkou..... d.	..	..	7.15	..	8.40	13.20	15.05	18.00
Jessfield .....dep.	..	8.15	9.16	13.36	15.51	..	..	19.30	Hangchow ..... d.	..	..	7.40	..	9.15	13.50	15.35	18.25
Siccawei.....dep.	..	8.21	9.23	13.43	15.58	..	..	19.36	Changan ..... d.	..	..	8.29	..	10.45	15.00	16.50	19.14
L'hwa Junction .....dep.	..	8.35	9.40	14.00	16.15	..	..	19.50	Yehsah ..... d.	..	..	9.00	..	11.53	15.37	17.32	19.45
									Kashing ..... d.	..	7.15	9.39	..	12.50	16.24	18.10	20.24
Shanghai South ..... dep.	..	*8.06*	*9.06*	*13.25*	*15.30*	*17.15*	*18.15*	*19.30*	Kashai ..... d.	..	7.39	10.02	..	13.26	16.52	..	20.46
Lunghwa Junction..... arr.	..	*8.25*	*9.23*	*13.45*	*15.48*	*17.33*	*18.33*	*19.38*	Sungkiang ..... d.	..	8.37	10.52	..	14.42	17.49	..	21.42
Sungkiang .....dep.	..	9.14	10.50	14.46	17.10	..	..	20.29									
Kashai .....dep.	..	10.01	11.57	15.43	18.08	..	..	21.16	*Lunghwa Junction.....d.*	*8.37*	*9.37*	*11.37*	*15.52*	*16.07*	*18.48*	..	*22.17*
Kashing.....dep.	7.05	10.31	12.40	16.16	18.30	..	..	21.46	*Shanghai South .....a.*	*8.55*	*9.55*	*11.55*	*14 10*	*16.25*	*19.00*	..	*22.45*
Yehsah .....dep.	7.45	11.02	13.32	16.56	----	..	..	22.17									
Chaugan .....dep.	8.31	11.36	14.23	17.40	----	..	..	22.51	L'hwa Junction .....d.	..	9.39	11.32	..	15.50	18.40	..	22.22
Hangchow .....dep.	9.43	12.30	16.00	18.50	----	..	..	23.45	Siccawei ...../.....d.	..	9.49	11.40	..	15.59	18.49	..	22.30
Zahkou .....arr.	10,05	12.45	16.30	19.10	----	..	..	24.00	Jessfield .....d.	..	9.56	11.46	..	16.06	18.56	..	22.36
									Shanghai North.....a.	..	10.10	12.00	..	16.20	19.10	..	22.50

Konzenchiao-Zahkou (Kiangshoo Branch Line) Zahkou-Konzenchiao

Konzenchiao .....dep.	6.50	8.45	10.45	13.45	15.05	17.30	22.55	Zahkou .....dep.	7.45	9.49	12.00	...	...	18.30	...
Kenshangmun .....dep.	7.05	9.00	11.00	14.00	15.20	17.45	23.10	Hangchow .....dep.	8.06	10.11	12.21	14.20	15.51	18.51	23.55
Hangchow.....dep.	7.14	9.11	11.11	...	...	17.56	...	Kenshangmun .....dep.	8.17	10.22	12.32	14.31	16.02	19.02	0.02
Zahkou.....arr.	7.32	9.30	11.30	...	...	18.15	...	Konzenchiao.....arr.	8.30	10.35	12.45	14.44	16.15	19.15	0.15